From:	Sarah Harris
To:	"Victor Buza"; Anthony Martinello
Cc:	William Tan; Lisa Stein; John Kim; Gavin He
Subject:	A quick note
Date:	Thursday, November 02, 2017 4:10:58 PM

Hi Victor and Anthony,

Just a quick note to let you know that Lisa and I both must leave at 5 p.m. today. If we're able receive any draft language soon enough before then, we will take a look and try to revert before then. If not, we'll have to do it first thing in the morning.

Also, if you could please let us know if IESO has received the intercept letter for signature, that would be great. Given the time factor, and once the Intercept Letter is fully executed, it looks like we will be then be signing the two agreements in counterparts (with IESO signing first and sending .pdf's to the OFA).

Thanks,

Sarah Harris
Manager, Operations
Capital Markets Division
Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, ON M7A 1Y7
416-325-8193
sarah.harris@ofina.on.ca

From: Sarah Harris
To: William Tan
Subject: Accepted: Existing Credit Facility balance transfer to FHP Credit Facility

From: Sarah Harris
To: William Tan
Subject: Accepted: Existing Credit Facility balance transfer to FHP Credit Facility

From: Sarah Harris
To: Caroline Swerdlyk
Subject: Accepted: FHP Credit Agreement - status update

From: Sarah Harris
To: Caroline Swerdlyk
Subject: Accepted: FHP Credit Agreement - status update

From: Sarah Harris
To: William Tan
Subject: Accepted: FHP Credit Facility Intercept Provision

From: Sarah Harris
To: William Tan
Subject: Accepted: FHP Credit Facility Intercept Provision

From: Sarah Harris
To: William Tan
Subject: Accepted: FHP Meeting

From: Sarah Harris
To: William Tan
Subject: Accepted: FHP Meeting

From: Sarah Harris
To: Lisa Stein
Subject: Accepted: FHP agreement

From: Sarah Harris
To: Lisa Stein
Subject: Accepted: FHP agreement

From: Lisa Stein
To: Sarah Harris
Subject: Accepted: IESO Agreement Review

From: Sarah Harris
To: "Anthony Martinello"
Subject: Accepted: IESO-OFA

From: Sarah Harris
To: Sarah Neville
Subject: Accepted: Intercept

From: Sarah Harris
To: John Kim
Subject: Accepted: Intercept

From: Sarah Harris
To: Ryan Blackbyrne
Subject: Accepted: OPG and IESO

From:	William Tan
To:	Sarah Harris
Cc:	Lisa Stein; Caroline Swerdlyk
Subject:	Amending Agreement No. 10 + Mike signing authority
Date:	Tuesday, September 05, 2017 3:02:00 PM
Attachments:	IESO FHP Credit Facility Agreement and Amending Agreement 10.msg RE IESO FHP Credit Facility Agreement and Amending Agreement 10.msg Designation of Authorized Signatory Executive Director and CIO (July 2017).pdf

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Hello,

Attached is the IESO sign-off on the August 18, version of Amending Agreement No. 10. We expect minimal comments coming back.

Also, attached is Mike Manning's Designation of Authorized Signatory. According to 1. a) Mike is allowed to sign loan agreements.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: William Tan []
To: 'Anthony Martinello' [Anthony.Martinello@ieso.ca]; 'Victor Buza' [Victor.Buza@ieso.ca]
CC: Sarah Harris [Sarah.Harris@ofina.on.ca]; Lisa Stein [Lisa.Stein@ofina.on.ca]
Subject: IESO FHP Credit Facility Agreement and Amending Agreement 10
Date: Friday, August 18, 2017 15:18:18
Attachment 1: OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18.docx
Attachment 2: FHP credit facility agreement draft OFA Legal Aug 18 proposed (003).docx

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Hello Anthony and Victor

Please find the attached FHP Credit Facility Agreement and Amending Agreement 10. If the changes are satisfactory, please accept the changes and execute two original copies and forward the originals to me. When you have a moment please contact me for a quick chat.

Execute:
Amending Agreement 10
FHP Credit Facility
Resolution of the Board of Directors.
Incumbency Certificate

Thanks,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: William Tan
Sent: Monday, August 14, 2017 4:18 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: FW: IESO FHP Credit Facility Agreement

Hello Anthony and Victor,

My apologies for the delay in providing the next turn of the FHP Credit Facility Agreement. While reviewing the last draft for the new credit facility, we became aware of a policy requirement for which we will need to obtain an additional directive prior to execution of the agreement. We estimate that this will likely take 3 or 4 weeks. Knowing that IESO's next funding request will be sent to the OFA on August 17th (for funding on August 21st), the August FHP draw will need to be made under the existing $975 million credit facility. At the time we execute the new $2 Billion facility, we would be able to transfer (by incorporating into the agreements the required provisions or by another agreed mechanism) any amount of loans exceeding $475 million (being the reduced facility limit under the draft amending agreement) under the existing facility to the new facility. We can set-up a call to discuss the details how this would work.

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Friday, August 11, 2017 4:15 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: IESO FHP Credit Facility Agreement

William,

Just checking in….any status on when the new $2B and $475M credit docs will be finalized for execution?

Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca]
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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~August, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

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WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"~~"~~IESO")**, and the obligations of the OPA became obligations of the IESO;

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AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of the IESO, and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; and (ii) amend the use of proceeds under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2.~~ On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the

principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42~~[Insert amount outstanding as of date of execution].~~

Commented [A1]: As of August 21, 2017. IESO to confirm.

~~3.~~2. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

~~4.~~3. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the P~~p~~arties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED~~ FORM OF GRID NOTE

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICTY SYSTEM OPERARTOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

~~[NTD – TO BE UPDATED AT EXECUTION]~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016		31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016		30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016		33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016		30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017		30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017		32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017		28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017		34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017		29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: August~~July~~ (·), 2017~~)~~

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of August~~July~~ 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*~~ (the "OFHP")~~.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the P~~p~~arties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances and in the case of an election by the IESO under Section 3.3, may include a ~~or~~ "Continued Advance", ~~-~~as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is ~~"clean energy adjustment" as that term is~~ defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

~~"**Financing Entity**" has the same meaning as "financing entity" as that term is defined in the OFHP.~~

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material ~~Subsidiary "~~Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**OFHP**" ~~has the meaning specified in the Recitals to this Agreement.~~means the *Ontario Fair Hydro Plan Act, 2017.*

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review; ~~and~~

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising ~~in connection with~~from the IESO's ~~role and~~ statutory obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation

to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.~~otherwise~~.

"**Person**" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"**Purchase Money Mortgage**" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"**Repayment Date**" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"**Stated Maturity**" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs ~~thereof.~~

~~**"Swap**~~thereof. **"Swap Contract"** means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the

context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in ~~Canadian~~ Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that
proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such

other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

~~(1)~~

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together will all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

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Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(3), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance~~, and;~~ (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

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Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Day~~'~~s prior to the Repayment Date of the Advance, and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Advance to which the

election request applies; (b) the amount of interest to be re-paid by the IESO on such Advance on the current Repayment Date; (c) the new aggregate total amount of the proposed Continued Advance; and (d~~e~~) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date~~; (d) that IESO will also be paying interest amount (with respect to (a) if any); and (e) the subcategory of the transaction.~~. If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(4) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(5) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of ~~(i) any Permitted Liens of the IESO, and (ii)~~ any ~~other~~ Liens that secure Indebtedness, as permitted by ~~in accordance with~~ sub~~S~~ections 4.6 (a) through (e) hereof.

(6) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the

Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA~~IESO~~ to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from

doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice~~a proper, efficient and business-like manner and in accordance with good business practice.~~.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO~~-~~ or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a),

(b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the ~~sServices~~Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived~~waive~~ or rescinded);

(g) the IESO or any Material Subsidiary~~.~~:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due~~generally not able to pay its debts as they become due~~;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (h)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments- for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO- or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments- discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days ofafter the date on which written notice of providing such written noticesuch Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the moneysies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Aadvance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Fa~~s~~csimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1~~I~~Y7

Attention: Executive Director – Capital Markets Division
Telephone: (416)325-8930
Facsimile~~Telecopier~~: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.~~-~~m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile ~~telecopier~~ other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties~~OFA and the IESO~~.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by~~y~~ the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be in~~-~~valid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement~~instrument~~.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving ~~c~~Credit Facility ~~a~~Agreement between the IESO and the OFA dated ~~July~~August (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The aggregate amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

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The ~~undersigned~~ IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s) ~~[specify sub-categories of borrowing purposes, as applicable]~~: [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

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The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving ~~c~~Credit ~~Facility A~~agreement~~Facility~~ Agreement between the IESO and the OFA dated ~~July~~August (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue all or a portion of an Advance or Continued Advance, as the case may be, for an additional term, and in connection with such election, sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) ~~(a)~~ The Advance to which the election request applies is _____ ~~;~~ [Insert principal amount of Advance and Advance date]~~.;~~

(b) The amount of interest the IESO will re-pay on Advance set out in (a) is $_____ [Insert interest amount to be re-paid on current Repayment Date].

(c) T~~t~~he new aggregate total amount of the proposed Continued Advance is $_____, which is comprised of:~~;~~

i. previous principal amount of Advance [or portion thereof] $_____; and,
ii. accrued interest on Advance [or portion thereof] $_____.

(d) ~~(c)~~ The new Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date n~~N~~ot earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

~~(d) That IESO will also be paying interest (with respect to (a) if any) in the amount of $_____;~~

~~(e) This transaction related to the settlement of the of the _____;[Insert relevant subcategory of borrowing].~~

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

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Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0" + Indent at: 0.25"

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Formatted: List Paragraph

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid ~~(the "**Grid** Note")~~ attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the ~~Credit~~ Agreement dated ~~July~~August (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "~~Credit~~ Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the ~~Credit~~ Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the ~~Credit~~ Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Credit Facility Grid Note

Date	Principal Advanced	Rate	Repayment Date and Principal Repaid	Interest Payment Date and Amount	Unpaid Principal Balance	Notation Made By

From: Victor Buza [Victor.Buza@ieso.ca]
To: William Tan [William.Tan@ofina.on.ca]; Anthony Martinello [Anthony.Martinello@ieso.ca]
CC: Sarah Harris [Sarah.Harris@ofina.on.ca]; Sarah Neville [Sarah.Neville@ofina.on.ca]; Caroline Swerdlyk [Caroline.Swerdlyk@ofina.on.ca]; Lisa Stein [Lisa.Stein@ofina.on.ca]
Subject: RE: IESO FHP Credit Facility Agreement and Amending Agreement 10
Date: Wednesday, August 30, 2017 16:26:07

Thanks Will. These changes will work for us. Please proceed to make the like changes to Amending Agreement 10.

Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 10:52 AM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: RE: IESO FHP Credit Facility Agreement and Amending Agreement 10

Hello Anthony,

Please find the attached FHP Credit Facility Agreement. Please provide your review and comments. If the changes are acceptable, we will make the applicable changes to the Amending Agreement 10.

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Monday, August 28, 2017 3:39 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: FW: IESO FHP Credit Facility Agreement and Amending Agreement 10

Will – see attached $2B draft for your review.

As discussed, we amended the election notice to make it more efficient for both IESO and OFA.

We will await your comments on this $2B draft before we make draft comments on the amendment #10 – as we likely should revise amendment #10's borrowing/election form notices to align with the attached $2B draft.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 18, 2017 3:18 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: IESO FHP Credit Facility Agreement and Amending Agreement 10

Hello Anthony and Victor

Please find the attached FHP Credit Facility Agreement and Amending Agreement 10. If the changes are satisfactory, please accept the changes and execute two original copies and forward the originals to me. When you have a moment please contact me for a quick chat.

Execute:
Amending Agreement 10
FHP Credit Facility
Resolution of the Board of Directors.
Incumbency Certificate

Thanks,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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ONTARIO FINANCING AUTHORITY

DESIGNATION OF AUTHORIZED SIGNATORY

RE: EXECUTIVE DIRECTOR & CHIEF INVESTMENT OFFICER

WHEREAS the Ontario Financing Authority ("OFA") Board of Directors authorized the Executive Director, Capital Markets Division to sign certain categories of contracts, documents and instruments in writing pursuant to the OFA Signing Authorities Resolution, approved on December 4, 2015 (the "OFA Signing Authorities Resolution");

AND WHEREAS the title of the Executive Director has been changed to Executive Director & Chief Investment Officer effective July 1, 2017;

AND WHEREAS it is desirable for the person in the position of Executive Director & Chief Investment Officer to continue to be an authorized signing officer of the OFA to ensure continuity of OFA business operations;

AND WHEREAS subsection 8.01(ii) of the OFA's By-Law No. 1 authorizes the OFA Chief Executive Officer ("CEO") to designate in writing, from time to time, persons to sign cheques, drafts or orders for the payment of money and acceptances and bills of exchange;

AND WHEREAS subsection 8.02(a) of the OFA's By-Law No. 1 authorizes the CEO to designate in writing, from time to time, persons to sign contracts, documents or instruments in writing requiring the signature of the OFA, subject to such terms and conditions as the CEO may specify in such designation;

AND WHEREAS subsection 8.02(e) of the OFA's By-Law No. 1 authorizes the CEO to designate in writing, from time to time, persons to sell, assign, transfer, exchange, convert or convey any and all shares, stock, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the OFA and to sign and execute (under the seal of the OFA or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities:

1. I hereby designate the Executive Director & Chief Investment Officer, Capital Markets Division to perform the following acts:

    a) Sign loan agreements, non-negotiable promissory notes, and other evidences of indebtedness issued by the OFA, term sheets related to a loan or other debt obligation and other related legal instruments in connection therewith;

    b) Sign cheques, drafts, acceptances, money orders and bills of exchange (collectively "Payment Instruments"), as the second signatory in addition to any one of the persons referred to in subsection 8.01(i) of the OFA's By-Law No. 1;

c) Purchase shares, stock, bonds, debentures, rights, warrants or other securities, and sell, assign, transfer, exchange, convert or convey any and all shares, stock, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the OFA and sign and execute (under the seal of the OFA or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of purchasing, selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities;

d) Sign agreements for loans by the OFA to public bodies, including terms sheets; and

e) Sign contracts and instruments relating to the business of the OFA and not referred to in paragraphs 1(i) to 1(v) of the OFA Signing Authorities Resolution, including agreements and other documents arising in the context of the conduct or settlement of litigation.

2. Subject to any specific designation in writing that I may sign, in my absence, the Executive Director & Chief Investment Officer is hereby designated for the purposes of executing any contract, document or instrument in writing, excluding Payment Instruments, on behalf of the OFA which I have authority to execute.

3. For certainty, the designations in this document apply to persons temporarily authorized to exercise the powers and perform the duties of the position of Executive Director & Chief Investment Officer, as well as to the person regularly occupying such position.

4. For certainty, the designations in this document are in addition to and do not vary or replace the OFA Signing Authorities Resolution.

5. This designation is effective from July 5, 2017 until such time as the OFA Board of Directors approves a new Signing Authorities Resolution.

DATED: July 5, 2017

Gadi Mayman
Chief Executive Officer
Ontario Financing Authority

From:	William Tan
To:	Sarah Harris
Cc:	Lisa Stein; Caroline Swerdlyk
Subject:	Amending Agreement No. 10 + Mike signing authority
Date:	Tuesday, September 05, 2017 3:02:00 PM
Attachments:	IESO FHP Credit Facility Agreement and Amending Agreement 10.msg RE IESO FHP Credit Facility Agreement and Amending Agreement 10.msg Designation of Authorized Signatory Executive Director and CIO (July 2017).pdf

---

Hello,

Attached is the IESO sign-off on the August 18, version of Amending Agreement No. 10. We expect minimal comments coming back.

Also, attached is Mike Manning's Designation of Authorized Signatory. According to 1. a) Mike is allowed to sign loan agreements.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: William Tan []
To: 'Anthony Martinello' [Anthony.Martinello@ieso.ca]; 'Victor Buza' [Victor.Buza@ieso.ca]
CC: Sarah Harris [Sarah.Harris@ofina.on.ca]; Lisa Stein [Lisa.Stein@ofina.on.ca]
Subject: IESO FHP Credit Facility Agreement and Amending Agreement 10
Date: Friday, August 18, 2017 15:18:18
Attachment 1: OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18.docx
Attachment 2: FHP credit facility agreement draft OFA Legal Aug 18 proposed (003).docx

---

Hello Anthony and Victor

Please find the attached FHP Credit Facility Agreement and Amending Agreement 10. If the changes are satisfactory, please accept the changes and execute two original copies and forward the originals to me. When you have a moment please contact me for a quick chat.

Execute:
Amending Agreement 10
FHP Credit Facility
Resolution of the Board of Directors.
Incumbency Certificate

Thanks,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
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From: William Tan
Sent: Monday, August 14, 2017 4:18 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: FW: IESO FHP Credit Facility Agreement

Hello Anthony and Victor,

My apologies for the delay in providing the next turn of the FHP Credit Facility Agreement. While reviewing the last draft for the new credit facility, we became aware of a policy requirement for which we will need to obtain an additional directive prior to execution of the agreement. We estimate that this will likely take 3 or 4 weeks. Knowing that IESO's next funding request will be sent to the OFA on August 17th (for funding on August 21st), the August FHP draw will need to be made under the existing $975 million credit facility. At the time we execute the new $2 Billion facility, we would be able to transfer (by incorporating into the agreements the required provisions or by another agreed mechanism) any amount of loans exceeding $475 million (being the reduced facility limit under the draft amending agreement) under the existing facility to the new facility. We can set-up a call to discuss the details how this would work.

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Friday, August 11, 2017 4:15 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: IESO FHP Credit Facility Agreement

William,

Just checking in….any status on when the new $2B and $475M credit docs will be finalized for execution?

Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca]
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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~August, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

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WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"~~"~~IESO")**, and the obligations of the OPA became obligations of the IESO;

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AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of the IESO, and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; and (ii) amend the use of proceeds under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2.~~ On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the

principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42~~[Insert amount outstanding as of date of execution].~~

Commented [A1]: As of August 21, 2017. IESO to confirm.

~~3.~~2. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

~~4.~~3. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the P~~p~~arties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED~~ FORM OF GRID NOTE

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICTY SYSTEM OPERARTOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

~~[NTD – TO BE UPDATED AT EXECUTION]~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016		31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016		30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016		33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016		30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017		30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017		32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017		28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017		34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017		29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: August~~July~~ (·), 2017~~)~~

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of August~~July~~ 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*~~ (the "OFHP")~~.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the P~~p~~arties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances and in the case of an election by the IESO under Section 3.3, may include a ~~or~~ "Continued Advance", ~~-~~as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is ~~"clean energy adjustment" as that term is~~ defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

~~"**Financing Entity**" has the same meaning as "financing entity" as that term is defined in the OFHP.~~

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material ~~Subsidiary "~~Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**OFHP**" ~~has the meaning specified in the Recitals to this Agreement.~~means the *Ontario Fair Hydro Plan Act, 2017.*

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review; ~~and~~

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising ~~in connection with~~from the IESO's ~~role and~~ statutory obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation

to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.~~otherwise~~.

"**Person**" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"**Purchase Money Mortgage**" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"**Repayment Date**" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"**Stated Maturity**" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs ~~thereof.~~

~~**"Swap**~~thereof. **"Swap Contract"** means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the

context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in ~~Canadian~~ Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that
proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such

other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

~~(1)~~

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together will all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

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Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(3), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance~~, and;~~ (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

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Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Day~~'~~s prior to the Repayment Date of the Advance, and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Advance to which the

election request applies; (b) the amount of interest to be re-paid by the IESO on such Advance on the current Repayment Date; (c) the new aggregate total amount of the proposed Continued Advance; and (d~~e~~) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date~~; (d) that IESO will also be paying interest amount (with respect to (a) if any); and (e) the subcategory of the transaction.~~. If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(4) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(5) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of ~~(i) any Permitted Liens of the IESO, and (ii)~~ any ~~other~~ Liens that secure Indebtedness, as permitted by ~~in accordance with~~ sub~~S~~ections 4.6 (a) through (e) hereof.

(6) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the

Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA~~IESO~~ to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from

doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice~~a proper, efficient and business-like manner and in accordance with good business practice.~~.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO~~-~~ or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a),

(b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the ~~sServices~~Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived~~waive~~ or rescinded);

(g) the IESO or any Material Subsidiary~~.~~:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due~~generally not able to pay its debts as they become due~~;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (h)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments- for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO- or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments- discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days ofafter the date on which written notice of providing such written noticesuch Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the moneysies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Aadvance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Fa~~s~~csimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1~~I~~Y7

Attention: Executive Director – Capital Markets Division
Telephone: (416)325-8930
Facsimile~~Telecopier~~: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.~~-~~m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile ~~telecopier~~ other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties~~OFA and the IESO~~.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by~~y~~ the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be in~~-~~valid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement~~instrument~~.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving ~~c~~Credit Facility ~~a~~Agreement between the IESO and the OFA dated ~~July~~August (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The aggregate amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

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The ~~undersigned~~ IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s) ~~[specify sub-categories of borrowing purposes, as applicable]~~: [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

Formatted: Font: Bold

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving ~~c~~Credit ~~Facility A~~agreement~~Facility~~ Agreement between the IESO and the OFA dated ~~July~~August (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue all or a portion of an Advance or Continued Advance, as the case may be, for an additional term, and in connection with such election, sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) ~~(a)~~ The Advance to which the election request applies is _____ ~~;~~ [Insert principal amount of Advance and Advance date]~~.;~~

(b) The amount of interest the IESO will re-pay on Advance set out in (a) is $_____ [Insert interest amount to be re-paid on current Repayment Date].

(c) T~~t~~he new aggregate total amount of the proposed Continued Advance is $_____, which is comprised of:~~;~~

i. previous principal amount of Advance [or portion thereof] $_____; and,
ii. accrued interest on Advance [or portion thereof] $_____.

(d) ~~(c)~~ The new Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date n~~N~~ot earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

~~(d) That IESO will also be paying interest (with respect to (a) if any) in the amount of $_____;~~

~~(e) This transaction related to the settlement of the of the _____;[Insert relevant subcategory of borrowing].~~

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

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Formatted: List Paragraph

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid ~~(the "**Grid** Note")~~ attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the ~~Credit~~ Agreement dated ~~July~~August (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "~~Credit~~ Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the ~~Credit~~ Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the ~~Credit~~ Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Credit Facility Grid Note

Date	Principal Advanced	Rate	Repayment Date and Principal Repaid	Interest Payment Date and Amount	Unpaid Principal Balance	Notation Made By

From: Victor Buza [Victor.Buza@ieso.ca]
To: William Tan [William.Tan@ofina.on.ca]; Anthony Martinello [Anthony.Martinello@ieso.ca]
CC: Sarah Harris [Sarah.Harris@ofina.on.ca]; Sarah Neville [Sarah.Neville@ofina.on.ca]; Caroline Swerdlyk [Caroline.Swerdlyk@ofina.on.ca]; Lisa Stein [Lisa.Stein@ofina.on.ca]
Subject: RE: IESO FHP Credit Facility Agreement and Amending Agreement 10
Date: Wednesday, August 30, 2017 16:26:07

Thanks Will. These changes will work for us. Please proceed to make the like changes to Amending Agreement 10.

Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 10:52 AM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: RE: IESO FHP Credit Facility Agreement and Amending Agreement 10

Hello Anthony,

Please find the attached FHP Credit Facility Agreement. Please provide your review and comments. If the changes are acceptable, we will make the applicable changes to the Amending Agreement 10.

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Monday, August 28, 2017 3:39 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: FW: IESO FHP Credit Facility Agreement and Amending Agreement 10

Will – see attached $2B draft for your review.

As discussed, we amended the election notice to make it more efficient for both IESO and OFA.

We will await your comments on this $2B draft before we make draft comments on the amendment #10 – as we likely should revise amendment #10's borrowing/election form notices to align with the attached $2B draft.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 18, 2017 3:18 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: IESO FHP Credit Facility Agreement and Amending Agreement 10

Hello Anthony and Victor

Please find the attached FHP Credit Facility Agreement and Amending Agreement 10. If the changes are satisfactory, please accept the changes and execute two original copies and forward the originals to me. When you have a moment please contact me for a quick chat.

Execute:
Amending Agreement 10
FHP Credit Facility
Resolution of the Board of Directors.
Incumbency Certificate

Thanks,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

ONTARIO FINANCING AUTHORITY

DESIGNATION OF AUTHORIZED SIGNATORY

RE: EXECUTIVE DIRECTOR & CHIEF INVESTMENT OFFICER

WHEREAS the Ontario Financing Authority ("OFA") Board of Directors authorized the Executive Director, Capital Markets Division to sign certain categories of contracts, documents and instruments in writing pursuant to the OFA Signing Authorities Resolution, approved on December 4, 2015 (the "OFA Signing Authorities Resolution");

AND WHEREAS the title of the Executive Director has been changed to Executive Director & Chief Investment Officer effective July 1, 2017;

AND WHEREAS it is desirable for the person in the position of Executive Director & Chief Investment Officer to continue to be an authorized signing officer of the OFA to ensure continuity of OFA business operations;

AND WHEREAS subsection 8.01(ii) of the OFA's By-Law No. 1 authorizes the OFA Chief Executive Officer ("CEO") to designate in writing, from time to time, persons to sign cheques, drafts or orders for the payment of money and acceptances and bills of exchange;

AND WHEREAS subsection 8.02(a) of the OFA's By-Law No. 1 authorizes the CEO to designate in writing, from time to time, persons to sign contracts, documents or instruments in writing requiring the signature of the OFA, subject to such terms and conditions as the CEO may specify in such designation;

AND WHEREAS subsection 8.02(e) of the OFA's By-Law No. 1 authorizes the CEO to designate in writing, from time to time, persons to sell, assign, transfer, exchange, convert or convey any and all shares, stock, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the OFA and to sign and execute (under the seal of the OFA or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities:

1. I hereby designate the Executive Director & Chief Investment Officer, Capital Markets Division to perform the following acts:

    a) Sign loan agreements, non-negotiable promissory notes, and other evidences of indebtedness issued by the OFA, term sheets related to a loan or other debt obligation and other related legal instruments in connection therewith;

    b) Sign cheques, drafts, acceptances, money orders and bills of exchange (collectively "Payment Instruments"), as the second signatory in addition to any one of the persons referred to in subsection 8.01(i) of the OFA's By-Law No. 1;

c) Purchase shares, stock, bonds, debentures, rights, warrants or other securities, and sell, assign, transfer, exchange, convert or convey any and all shares, stock, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the OFA and sign and execute (under the seal of the OFA or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of purchasing, selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities;

d) Sign agreements for loans by the OFA to public bodies, including terms sheets; and

e) Sign contracts and instruments relating to the business of the OFA and not referred to in paragraphs 1(i) to 1(v) of the OFA Signing Authorities Resolution, including agreements and other documents arising in the context of the conduct or settlement of litigation.

2. Subject to any specific designation in writing that I may sign, in my absence, the Executive Director & Chief Investment Officer is hereby designated for the purposes of executing any contract, document or instrument in writing, excluding Payment Instruments, on behalf of the OFA which I have authority to execute.

3. For certainty, the designations in this document apply to persons temporarily authorized to exercise the powers and perform the duties of the position of Executive Director & Chief Investment Officer, as well as to the person regularly occupying such position.

4. For certainty, the designations in this document are in addition to and do not vary or replace the OFA Signing Authorities Resolution.

5. This designation is effective from July 5, 2017 until such time as the OFA Board of Directors approves a new Signing Authorities Resolution.

DATED: July 5, 2017

Gadi Mayman
Chief Executive Officer
Ontario Financing Authority

From: William Tan
To: Sarah Harris
Subject: Amending Agreement No. 10, Section 14.
Date: Wednesday, November 01, 2017 4:08:13 PM

Hi Sarah,

Below is my proposed changes.

i. The advance of funds under a separate credit agreement between the Parties in relation to the IESO's role in the implementation of the **OFHP** in an amount equal to the first Proposed Advance, Borrowing Notice under the **OFHP** Credit Facility;

ii. the reduction to the amount of the **Continued Advance** plus Proposed Advance under the **Credit Agreement** specified by IESO to OFA under the Credit Agreement in connection with the IESO's role in the implementation of the OFHP as the Effective Date; and

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
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From: Lisa Stein
To: Sarah Harris
Subject: Automatic reply: FHP credit facility agreement - intercept
Date: Thursday, September 21, 2017 8:45:59 AM

I will be away from the office until Monday September 25th and will not have access to e-mails. If you require immediate assistance, please contact Sarah Neville or another member of the Legal Branch. Thank you.

From: Lisa Stein
To: Sarah Harris
Subject: Automatic reply: FHP credit facility agreement - intercept
Date: Thursday, September 21, 2017 8:45:59 AM

I will be away from the office until Monday September 25th and will not have access to e-mails. If you require immediate assistance, please contact Sarah Neville or another member of the Legal Branch. Thank you.

From: Jean-Francois Beaupre
To: Sarah Harris
Subject: Automatic reply: IESO credit facility
Date: Friday, October 20, 2017 12:55:05 PM

Please be advised that I am away from the office and will be returning on Tuesday, October 24th, 2017.

Should your matter require immediate assistance, please contact Sarah Harris, Manager, Capital Markets Operations at (416) 325-8193 or by e-mail Sarah.Harris@ofina.on.ca.

Thank you,
Jean-François Beaupré

From: William Tan
To: Sarah Harris
Subject: Automatic reply: Touch Base
Date: Friday, September 08, 2017 4:07:33 PM

Out of office alert.

I will be out of the office Friday, September 8, returning Monday, September 11.

If you require immediate assistance please contact Sarah Harris at 416-325-8193

Thank you and have a great day.

Will

From:	Sarah Harris
To:	John Kim
Cc:	Opal Kandelas; William Tan; Lisa Stein; Sarah Neville; Anna Strathy
Subject:	Away
Date:	Wednesday, September 27, 2017 3:45:12 PM

Hi John,

I will be away returning October 3rd. In my absence would you please keep Opal Kandelas and William Tan copied on any developments regarding the IESO intercept letter.

Thanks,

Sarah

From: Sarah Harris
To: William Tan
Subject: Book1.xlsx
Date: Wednesday, November 01, 2017 12:33:58 PM
Attachments: Book1.xlsx

Date	Existing RRP Principal	Existing RRRP Principal	Existing Total Principal	New FHP Facility	Total Loaned to IESO	Net Funding
20-Nov	$ 825,639,102.00	$ 10,649,081.37	$ 836,288,183.37		$ 836,288,183.37	
21-Nov	$ -	$ 15,649,081.37		$ 1,050,639,102.00	$ 1,066,288,183.37	$ 230,000,000.00

From:	Kevin Shvarts
To:	"LEE John -TREASURY"; "LIU Sheen -TREASURY"; "RYFA Ken -TREASURY"
Cc:	Mike Manning; Linda Smith; Sarah Harris; Brett Kichiy; Jean-Francois Beaupre; Kelly Listoe; Ryan Blackbyrne
Subject:	Credit Spread for September 22, 2017 30-Year Loan
Date:	Tuesday, September 19, 2017 10:26:31 AM
Attachments:	$400 m Loan for Sept 22, 2017 (30 Yr Spread).pdf

---

Hello,

The credit spread for the September 22, 2017 30-year loan is **157.75** bps.

I will be sending the pricing and full details on September 21st.

Thanks,

Kevin Shvarts, CFA
Investment Analyst, Nuclear Funds
Ontario Financing Authority
T: 416-325-9288
E: Kevin.Shvarts@ofina.on.ca

OPG LOAN - 30-Year

DETERMINATION OF OPG CREDIT SPREAD

DEALER QUOTES FOR September 18, 2017

	BMO	CIBC	NBF	RBC	SC	TD
Benchmark Canada Bond (2.75% Dec 2048)	2.435%	2.460%	2.442%	2.441%	2.440%	2.444%
Curve Adjustment (bp)	0	0	0	0	0	0
OPG Credit Spread to GoC Curve (bp)	159	154	155	161	158	159
Re-Offered Yield	4.025%	4.000%	3.992%	4.051%	4.020%	4.034%
Commission (bp)	2.8	2.9	2.9	2.9	4.0	2.4
All-in Canada Yield	4.053%	4.029%	4.021%	4.080%	4.060%	4.058%
All-in Spread to GoC Curve (bp)	**162**	**157**	**158**	**164**	**162**	**161**

	30-Year	30-Year	30-Year	30-Year	30-Year	30-Year
Hydro One Inc. (A / A3 / A(H))	144	144	140	143	144	144
TransAlta Corp (BBB-/BBB)						
Nova Scotia Power (A(L)/BBB+)	150	150	150	149	150	148
Toronto Hydro (A/A)	136	138				
EPCOR Utilities (A(L)/A-)	142		140	141		139
FortisBC (Baa1/A(L))			140	143		
FortisAlberta (A- / Baa1 / A(l))		140	140	139		
TransCanada Pipelines (A(L)/A-)	190			190		

AVERAGE OPG CREDIT SPREAD:

1. Eliminate High and Low Spread

High Spread = 161
Low Spread = 154

2. Calculate Average of Remaining Spreads

Average Spread = 157.75

From:	William Tan
To:	"Anthony Martinello"; Victor Buza
Cc:	Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject:	Draft Amending Agreement No. 10
Date:	Thursday, August 31, 2017 4:33:05 PM
Attachments:	OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18 (Aug 31 marku.. (002).docx

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' ; Victor Buza
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.

Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346

william.tan@ofina.on.ca

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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.
And, please send over draft Amendment #10 for our review.
Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,
We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.
Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.
Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?
Thanks,
Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,
Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.
You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).
It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.
I assume there is an internal OFA grid document which provides each advance as segregate rows.
Victor and I are reviewing today's draft.
Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

LeRoy Ahyee

Settlements Officer | Ontario Financing Authority

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**~~"~~"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of~~ the IESO~~, and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; ~~and~~ (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

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"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

~~1.~~2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42[**Insert amount outstanding as of date of execution**].~~

Commented [A1]: Moved to the end to allow schedule references to remain consistent with Credit Agreement

~~3. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.~~

3. The following definitions are added to Section 1.1 of the Agreement

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest

for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A2]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the P~~p~~arties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, ~~_____~~Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED FORM OF GRID NOTE~~ FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

Commented [A3]: Changed "aggregate" to "principal". This is the only substantive change to this form.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $_____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

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Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

~~**[NTD – TO BE UPDATED AT EXECUTION]**~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016		31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016		30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016		33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016		30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017		30
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21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017		28
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20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

From:	Caroline Swerdlyk
To:	William Tan; Sarah Harris
Cc:	Sarah Neville
Subject:	Draft Amending Agreement No. 10
Date:	Thursday, August 31, 2017 11:58:06 AM
Attachments:	OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18 (markup).docx

Hello,

Please find attached draft changes to Amending Agreement No. 10. I worked from the document that Will emailed to the IESO on August 18 at 3:18pm which Lisa shared with me. Please let me know if you have any comments/questions/changes or would like to discuss.

This draft updates all of the Schedules to the Agreement. We also thought it would be prudent to align the language in the related sections of the Agreement. If you are forwarding this to the IESO, please let them know that this is the reason for the scope of the changes that have been included.

I also wanted to flag that Mike Manning's new title should be used on any documents that he signs (Executive Director & Chief Investment Officer).

Thanks,

Caroline

Caroline Swerdlyk

Legal Counsel

ext. 5-8141

Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~August, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

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WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"~~"~~IESO")**, and the obligations of the OPA became obligations of the IESO;

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AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of~~ the IESO~~,~~ ~~and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; ~~and~~ (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

~~1.~~2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42[**Insert amount outstanding as of date of execution**].~~

Commented [A1]: Moved to the end to allow schedule references to remain consistent with Credit Agreement

~~3. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.~~

3. The following definitions are added to Section 1.1 of the Agreement

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(4), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest

for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance (the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the principal amount of the proposed Continued Advance; (c) the total amount of accrued and outstanding interest on the Advance to be paid, and the amount of principal (if any) to be repaid, by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The total amount of accrued and outstanding interest on the Advance and any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

Commented [A2]: Note: this is new and the rest of the subsection is in the current agreement. Change is made to clarify that interest is repayable on the Repayment Date and only principle amount can be rolled over

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A3]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Pp arties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, ~~_____~~Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED FORM OF GRID NOTE~~ FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

Commented [A4]: Changed "aggregate" to "principal". This is the only substantive change to this form.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of the principal amount an Advance or a Continued Advance, as the case may be, and in connection with such election, sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The principal amount of the proposed Continued Advance is $_____;

(c) (i) The IESO will pay on the Current Repayment Date all accrued and outstanding interest on the Advance in the amount of: $_____;

(ii) The IESO will pay on the Current Repayment Date principal in the amount of: $_____; [being any portion of the Advance not continued for a further period in accordance with this Notice]

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

~~[NTD – TO BE UPDATED AT EXECUTION]~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
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20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

From:	William Tan
To:	"Anthony Martinello"; Victor Buza
Cc:	Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject:	Draft Amending Agreement No. 10
Date:	Thursday, August 31, 2017 4:33:05 PM
Attachments:	OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18 (Aug 31 marku.. (002).docx

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' ; Victor Buza
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.

Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346

william.tan@ofina.on.ca

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---

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.
And, please send over draft Amendment #10 for our review.
Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,
We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.
Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.
Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?
Thanks,
Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,
Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.
You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).
It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.
I assume there is an internal OFA grid document which provides each advance as segregate rows.
Victor and I are reviewing today's draft.
Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

LeRoy Ahyee

Settlements Officer | Ontario Financing Authority

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**~~"~~"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of~~ the IESO~~, and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; ~~and~~ (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

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"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

~~1.~~2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42[**Insert amount outstanding as of date of execution**].~~

Commented [A1]: Moved to the end to allow schedule references to remain consistent with Credit Agreement

~~3. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.~~

3. The following definitions are added to Section 1.1 of the Agreement

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest

for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A2]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the P~~p~~arties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, ~~_____~~Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED FORM OF GRID NOTE~~ FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

Commented [A3]: Changed "aggregate" to "principal". This is the only substantive change to this form.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $_____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

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Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

~~**[NTD – TO BE UPDATED AT EXECUTION]**~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016		31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016		30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016		33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016		30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017		30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017		32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017		28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017		34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017		29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

From: William Tan
To: Sarah Harris
Subject: Draft email: FHP Status Update
Date: Wednesday, October 11, 2017 3:04:04 PM

To: Carlos Yep

Cc: John Kim ; Risa Thau ; Lisa Stein ; Sarah Harris

Hello Carlos,

IESO will likely require a total advance of $840 million (outstanding loan + new advance) on October 20. Borrowing/Election Notice to be received on October 18.

Currently, the $2 Billion FHP Credit Facility Agreement has not been executed yet.

Once the $2 Billion FHP Credit Facility Agreement is signed, the November 21 advance can be done in a variety of ways:

Examples:

i. All Amounts mature under the $975 million Existing Credit Facility (reduce the Existing Credit Facility to $475 million).
   Advance the entire required balance from the $2 Billion FHP Credit Facility.
   Requires: One Borrowing Notice from the $2 Billion FHP Credit Facility.

ii. Portion Enough of the outstanding balance is allowed to mature to fit under the to $475 million Credit Facility.
   Advance the matured portion and new advance to the $2 Billion FHP Credit Facility.
   Requires: Election Notice $475 million Existing Credit Facility.
   Borrowing Notice $2 Billion Credit Facility.

John, please notify Carlos of the preferred method of rolling over/advancement of the amounts (above are suggestions only) and how to structure the transaction on OLMS.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: William Tan
To: Sarah Harris
Subject: Draft email: FHP Status Update
Date: Wednesday, October 11, 2017 3:04:04 PM

To: Carlos Yep

Cc: John Kim ; Risa Thau ; Lisa Stein ; Sarah Harris

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   Advance the entire required balance from the $2 Billion FHP Credit Facility.
   Requires: One Borrowing Notice from the $2 Billion FHP Credit Facility.

ii. Portion Enough of the outstanding balance is allowed to mature to fit under the to $475 million Credit Facility.
   Advance the matured portion and new advance to the $2 Billion FHP Credit Facility.
   Requires: Election Notice $475 million Existing Credit Facility.
   Borrowing Notice $2 Billion Credit Facility.

John, please notify Carlos of the preferred method of rolling over/advancement of the amounts (above are suggestions only) and how to structure the transaction on OLMS.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From:	Sarah Harris
To:	Lisa Stein
Cc:	Tobias P. Whitfield (MOF); William Tan; John Kim; Gavin He
Subject:	Effective Date of Amending Agreement to Reduce Existing OFA- IESO Facility to $475M
Date:	Wednesday, November 01, 2017 12:36:48 PM

Hi Lisa,

Instead of November 22nd as the effective date on the amending agreement, I think November 21st will work, so let's change it to the 21st.

Thanks,

Sarah

From:	William Tan
To:	John Psinas; Alfonso Soriano; Risa Thau; Carlos Yep; Siva Nathan; Sarah Harris; George Sakura; Jensen Chong
Subject:	Existing Credit Facility balance transfer to FHP Credit Facility
Attachments:	Subcategory allocation breakdown under $475M Credit Facility and $2B Credit Facility.msg

Hello all,

Sorry for the short notice on the meeting to discuss IESO & FHP Credit Facility. We need to confirm some final operational details before the agreement is finalized and executed (the agreement to be executed by the end of the week).

(416) 933-3853
Conference ID: 2406927 followed by #
To reach an operator during the call press * 0

Best regards,

Will Tan| Documentation & Analysis Specialist
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From: William Tan []
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
Subject: Subcategory allocation breakdown under $475M Credit Facility and $2B Credit Facility
Date: Monday, October 30, 2017 12:50:00

Hi Sarah,

I asked Anthony to provide the subcategory account names/program names and allocation amounts under the $475M Credit Facility and $2B Credit Facility so that we may set these up on the loan system. According to Anthony he wish arrange the facilities as follows:

$475
RRRP (Rural or Remote Electricity Rate Protection Variance)
$15+5

FHP
RPP (Regulated Price Plan Variance)
$825+$225

The additional balances (+) are for the new advances. He does not know the names of the subcategories yet or the amount allocations/limit to dedicate to the subcategories. He will provide us with these details in the form of a Borrowing Notice at the time for advancements.

Let me know if you require more details.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
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From: William Tan
To: Lisa Stein
Cc: Sarah Harris
Subject: FHP AA No. 10 - Order of Events
Date: Friday, October 27, 2017 8:48:46 AM
Attachments: Re FHP logistics .msg
Checklist, Order of Events FHP and AA 10.docx
(Internal) Checklist, Order of Events FHP and AA 10.docx

Good morning Lisa,

Anthony has notified us of his intentions on Nov 21, to move the entire balance of $840mm + new advance, to the $2B credit facility. I have put together a timeline/checklist based on the aforementioned scenario in an effort to get everyone on the same page. You will notice that the FHP credit facility is set-up first to be available when the transfer is eventually ready to be done. The Amending Agreement No. 10 will be signed and reduced closer to the time of the transfer.

Please find the attached checklist outlining the order of events. I have also created a separate internal checklist. Please review both checklists so I may share the **EXTERNAL** checklist it with Anthony.

Best regards,

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From: Anthony Martinello [Anthony.Martinello@ieso.ca]
To: William Tan [William.Tan@ofina.on.ca]
CC: Victor Buza [Victor.Buza@ieso.ca]
Subject: Re: FHP logistics
Date: Wednesday, October 25, 2017 11:08:31

I am out of the office this week but would expect we should sign the intercept, the 2b facility, and 475m at the same time.

In terms of notices for mid Nov i would expect the current $825m outstanding would just roll over to be on the 2B facikity without any actual cash being moved.

Regards.

From: William.Tan@ofina.on.ca
Sent: October 24, 2017 5:00 PM
To: Anthony.Martinello@ieso.ca
Subject: FHP logistics

Hello Anthony,

I am trying to plot out the logistics on my end in regards to which agreements and borrowing notices need to be signed first etc. It would be helpful if you could let me know your intentions with regards to the rollover of the FHP amounts. Give me a call if it's easier to discuss.

Example:

Existing credit facility – move over entire balance to FHP.

Best regards,

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FHP • Intercept Letter Agreement signed. • FHP Agreement Signed. • Promissory note for $2B. • Borrowing Notice (Borrowing Notice including sub category this advance applies to).	To do list • Victor to comment on the FHP agreement.	• Oct 27, Intercept letter agreement signed (IESO). • Oct 27, FHP agreement signed (IESO). • Oct 27, FHP promissory note Grid Note(schedule 3) (i) Date and IESO signatory ($2B) (IESO). • Nov 21, Borrowing Notice to advance $840mm + new advance. Received by Nov 16 (IESO). • Nov 21, Risa provides updated Grid Note w/ balances IESO (settlements).
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To: William Tan [William.Tan@ofina.on.ca]
CC: Victor Buza [Victor.Buza@ieso.ca]
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From:	Caroline Swerdlyk
To:	Lisa Stein; William Tan; Sarah Harris
Subject:	FHP Credit Agreement - status update

Conference line: 416-212-8011 / 1-866-602-5461
Conference ID: 2218108

From:	Caroline Swerdlyk
To:	Lisa Stein; William Tan; Sarah Harris
Subject:	FHP Credit Agreement - status update

Conference line: 416-212-8011 / 1-866-602-5461
Conference ID: 2218108

From: William Tan
To: "Victor Buza"; Anthony Martinello; Lisa Stein; John Kim; Sarah Harris
Subject: FHP Credit Facility Intercept Provision

Call-in details
(416) 933-3853
Conference ID: 2406927 followed by #
To reach an operator during the call press * 0

Best regards,

Will Tan| Documentation & Analysis Specialist
Capital Markets Division | Ontario Financing Authority
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From:	William Tan
To:	"Victor Buza"; Anthony Martinello
Cc:	Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject:	FHP Credit Facility
Date:	Friday, September 01, 2017 1:22:40 PM
Attachments:	FHP credit facility agreement clean final Sept 1.docx FHP credit facility agreement blackline against last version to IESO.docx

Hello Anthony and Victor,

Please find the clean copy of the credit facility agreement and the blackline copy against the previous version with minimal changes. Please review and comment.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Wednesday, August 30, 2017 4:26 PM

To: William Tan ; Anthony Martinello

Cc: Sarah Harris ; Sarah Neville ; Caroline Swerdlyk ; Lisa Stein

Subject: RE: IESO FHP Credit Facility Agreement and Amending Agreement 10

Thanks Will. These changes will work for us. Please proceed to make the like changes to Amending Agreement 10.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 10:52 AM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: RE: IESO FHP Credit Facility Agreement and Amending Agreement 10

Hello Anthony,

Please find the attached FHP Credit Facility Agreement. Please provide your review and comments. If the changes are acceptable, we will make the applicable changes to the Amending Agreement 10.

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Monday, August 28, 2017 3:39 PM

To: William Tan <William.Tan@ofina.on.ca>

Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>

Subject: FW: IESO FHP Credit Facility Agreement and Amending Agreement 10

Will – see attached $2B draft for your review.

As discussed, we amended the election notice to make it more efficient for both IESO and OFA.

We will await your comments on this $2B draft before we make draft comments on the amendment #10 – as we likely should revise amendment #10's borrowing/election form notices to align with the attached $2B draft.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 18, 2017 3:18 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: IESO FHP Credit Facility Agreement and Amending Agreement 10

Hello Anthony and Victor

Please find the attached FHP Credit Facility Agreement and Amending Agreement 10. If the changes are satisfactory, please accept the changes and execute two original copies and forward the originals to me. When you have a moment please contact me for a quick chat.

Execute:

Amending Agreement 10

FHP Credit Facility

Resolution of the Board of Directors.

Incumbency Certificate

Thanks,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:
Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: ~~August~~September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of ~~August~~September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

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"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (~~h~~g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director—& Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

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SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

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(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated ~~August~~September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority

Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment Date	Principal	Interest	Actual Repayment Date	Actual No. Of Days
	Total Principal Advanced									

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:
Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	"Victor Buza"; Anthony Martinello
Cc:	Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject:	FHP Credit Facility
Date:	Friday, September 01, 2017 1:22:40 PM
Attachments:	FHP credit facility agreement clean final Sept 1.docx FHP credit facility agreement blackline against last version to IESO.docx

Hello Anthony and Victor,

Please find the clean copy of the credit facility agreement and the blackline copy against the previous version with minimal changes. Please review and comment.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Wednesday, August 30, 2017 4:26 PM

To: William Tan ; Anthony Martinello

Cc: Sarah Harris ; Sarah Neville ; Caroline Swerdlyk ; Lisa Stein

Subject: RE: IESO FHP Credit Facility Agreement and Amending Agreement 10

Thanks Will. These changes will work for us. Please proceed to make the like changes to Amending Agreement 10.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 10:52 AM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: RE: IESO FHP Credit Facility Agreement and Amending Agreement 10

Hello Anthony,

Please find the attached FHP Credit Facility Agreement. Please provide your review and comments. If the changes are acceptable, we will make the applicable changes to the Amending Agreement 10.

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Monday, August 28, 2017 3:39 PM

To: William Tan <William.Tan@ofina.on.ca>

Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>

Subject: FW: IESO FHP Credit Facility Agreement and Amending Agreement 10

Will – see attached $2B draft for your review.

As discussed, we amended the election notice to make it more efficient for both IESO and OFA.

We will await your comments on this $2B draft before we make draft comments on the amendment #10 – as we likely should revise amendment #10's borrowing/election form notices to align with the attached $2B draft.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 18, 2017 3:18 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: IESO FHP Credit Facility Agreement and Amending Agreement 10

Hello Anthony and Victor

Please find the attached FHP Credit Facility Agreement and Amending Agreement 10. If the changes are satisfactory, please accept the changes and execute two original copies and forward the originals to me. When you have a moment please contact me for a quick chat.

Execute:

Amending Agreement 10

FHP Credit Facility

Resolution of the Board of Directors.

Incumbency Certificate

Thanks,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:
Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: ~~August~~September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of ~~August~~September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

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"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (~~h~~g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director—& Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

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SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

Commented [CS1]: Moved up to (b)

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated ~~August~~September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority

Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment Date	Principal	Interest	Actual Repayment Date	Actual No. Of Days
	Total Principal Advanced									

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:
Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: William Tan
To: Risa Thau
Cc: Sarah Harris
Subject: FHP Grid notes
Date: Thursday, November 02, 2017 2:04:50 PM

Hello Risa,

I want to confirm with you that IESO will receive the following grid notes on November 21, based on the following rollover and advancement scenario.

1. $975M Credit Facility – IESO provides Election notice indicating IESO elects **NOT** to roll $825M and will pay interest of $905k
2. $975M Credit Facility – IESO provides Election notice to roll-over $10.6M + $2M (new advance)
3. $2B Credit Facility – IESO Borrowing Notice for $825M + $225M (new advance)

Grid notes produced on November 21 after advances are made, OFA to send via email updated grids reflecting:

- $475M facility, RRRP to show $12.6M;
- $975M facility, show zero balance owing ;
- $2B facility, fair hydro -> to show new fair hydro (RPP) balance $1.05B;

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: William Tan
To: Lisa Stein; John Kim; Sarah Harris
Subject: FHP Meeting
Date: Wednesday, October 04, 2017 4:11:48 PM

Hello all,

Should we need to meet in the Capital Markets boardroom 10 mins before Anthony and Victor joins the call to discuss the Amending Agreement No 10, intercept provision?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
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From: Sarah Harris
To: Malle Hanslep (MOF)
Cc: Opal Kandelas
Subject: FHP Meeting
Date: Thursday, November 02, 2017 11:50:17 AM

Hi Malle,
I'll be coming, but at 12:30 p.m.
Sarah
Sarah Harris

From: William Tan
To: "Victor Buza"; Anthony Martinello; Lisa Stein; Sarah Harris
Subject: FHP Meeting

Hello all,

Sorry for the short notice on the meeting to discuss FHP Credit Facility.

(416) 933-3853
Conference ID: 2406927 followed by #
To reach an operator during the call press * 0

Best regards,

Will Tan| Documentation & Analysis Specialist
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
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Sarah
Sarah Harris

From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; John Kim
Subject:	FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Date:	Monday, October 30, 2017 4:19:17 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) For the purposes of the first Advance to be made under this Agreement (the "**First Advance**"), the purpose of which shall include the repayment of a portion of the IESO's outstanding indebtedness to the OFA under the [Credit Agreement between the Parties dated January 1, 2005, as amended, (the "**Existing Credit Facility**"), the IESO and the OFA agree that a specified portion of the entry of the First Advance on the Grid Note, as indicated in the Borrowing Notice, shall constitute a repayment under the Existing Credit Facility.

Section 3.3 Elections Regarding Advances.

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(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Re~~P~~payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as

such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date ~~,~~ herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness ~~when due~~ under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing ~~under this Agreement~~hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

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(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS4]: Okay; tracked language in AA#10

This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan
Cc:	Tobias P. Whitfield (MOF)
Subject:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx
Date:	Monday, October 30, 2017 4:10:19 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx

Further changes blacklined in s. 3.2(3). In the interests of time, I will send a version (without the extra blacklining) to the IESO for review. We can make further amendments prior to preparing the execution version if necessary.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

~~(2)~~ (3) For the purposes of the first Advance to be made under this Agreement (the "**First Advance**"), the purpose of which shall include the ~~be to~~ repayment of a portion of the IESO's outstanding indebtedness to the OFA under the ~~[CREDIT FACILITY NAME]~~Credit Agreement between the Parties dated January 1, 2005, as amended,~~[XX XX, XXXX]~~ (the "**Existing Credit Facility**"), the IESO and the OFA agree that a specified portion of the entry of the First Advance on the Grid Note, as indicated in the Borrowing Notice, shall constitute a repayment under the Existing Credit Facility. ~~in an amount equal to the amount of the First Advance.~~

Section 3.3 Elections Regarding Advances.

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(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Re~~P~~payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as

such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date ~~,~~ herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness ~~when due~~ under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing ~~under this Agreement~~hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

Commented [LS2]: Once confirmed, will track language in AA#10 as well.

Commented [LS3]: Assumes letter signed on same date as agreement

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(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS4]: Okay; tracked language in AA#10

This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan
Cc:	Tobias P. Whitfield (MOF)
Subject:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx
Date:	Monday, October 30, 2017 4:10:19 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx

Further changes blacklined in s. 3.2(3). In the interests of time, I will send a version (without the extra blacklining) to the IESO for review. We can make further amendments prior to preparing the execution version if necessary.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

~~(2)~~ (3) For the purposes of the first Advance to be made under this Agreement (the "**First Advance**"), the purpose of which shall include the ~~be to~~ repayment of a portion of the IESO's outstanding indebtedness to the OFA under the ~~[CREDIT FACILITY NAME]~~Credit Agreement between the Parties dated January 1, 2005, as amended,~~[XX XX, XXXX]~~ (the "**Existing Credit Facility**"), the IESO and the OFA agree that a specified portion of the entry of the First Advance on the Grid Note, as indicated in the Borrowing Notice, shall constitute a repayment under the Existing Credit Facility. ~~in an amount equal to the amount of the First Advance.~~

Section 3.3 Elections Regarding Advances.

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(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Re~~P~~payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as

such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date ~~,~~ herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness ~~when due~~ under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing ~~under this Agreement~~hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

Commented [LS2]: Once confirmed, will track language in AA#10 as well.

Commented [LS3]: Assumes letter signed on same date as agreement

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(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS4]: Okay; tracked language in AA#10

This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan
Cc:	Tobias P. Whitfield (MOF)
Subject:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx
Date:	Monday, October 30, 2017 3:43:13 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx
Importance:	High

Hi Sarah and Will,

Further to our discussions today, please see the revised FHP Credit Facility Agreement as amended by Toby. I've reviewed and I think this works (just made a couple of minor tweaks). Please let us know if you have any further comments.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
x. 5-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

Please consider the environment before printing this email.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

~~(2)~~(3) For the purposes of the first Advance to be made under this Agreement (the "**First Advance**"), the purpose of which shall be to repay the IESO's outstanding indebtedness to the OFA under the ~~[CREDIT FACILITY NAME]~~Credit Agreement between the Parties dated January 1, 2005, as amended,~~[XX XX, XXXX]~~ (the "Existing Credit Facility") the IESO and OFA agree the entry of the First Advance on the Grid Note shall constitute a repayment under the Existing Credit Facility in an amount equal to the amount of the First Advance.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Re~~P~~payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as

such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness ~~when due~~ under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing ~~under this Agreement~~hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

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(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS3]: Okay; tracked language in AA#10

This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan
Cc:	Tobias P. Whitfield (MOF)
Subject:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx
Date:	Monday, October 30, 2017 3:43:13 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx
Importance:	High

Hi Sarah and Will,

Further to our discussions today, please see the revised FHP Credit Facility Agreement as amended by Toby. I've reviewed and I think this works (just made a couple of minor tweaks). Please let us know if you have any further comments.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
x. 5-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

Please consider the environment before printing this email.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

~~(2)~~(3) For the purposes of the first Advance to be made under this Agreement (the "**First Advance**"), the purpose of which shall be to repay the IESO's outstanding indebtedness to the OFA under the ~~[CREDIT FACILITY NAME]~~Credit Agreement between the Parties dated January 1, 2005, as amended,~~[XX XX, XXXX]~~ (the "Existing Credit Facility") the IESO and OFA agree the entry of the First Advance on the Grid Note shall constitute a repayment under the Existing Credit Facility in an amount equal to the amount of the First Advance.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Re~~P~~payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as

such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness ~~when due~~ under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing ~~under this Agreement~~hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

Commented [LS1]: Once confirmed, will track language in AA#10 as well.

Commented [LS2]: Assumes letter signed on same date as agreement

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(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS3]: Okay; tracked language in AA#10

This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan; Sarah Harris; John Kim
Cc:	Sarah Neville
Subject:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v6 OFA Legal comments.docx
Date:	Friday, October 27, 2017 4:12:32 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v6 OFA Legal comments.docx

Hi all,

Please see attached my black-lined responses and comments to the IESO's latest edits. I don't have any serious concerns with the proposed amendments. Please let me know if you have any further concerns. If everyone is satisfied with the intercept language, I will incorporate the same language into AA#10.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO’s role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"**Person**" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"**Purchase Money Mortgage**" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"**Repayment Date**" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"**Stated Maturity**" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness ~~when due~~ under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing ~~under this Agreement~~hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Commented [LS1]: Once confirmed, will track language in AA#10 as well.

Commented [LS2]: Assumes letter signed on same date as agreement

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Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232

Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS3]: Okay; tracked language in AA#10

This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.~~9~~8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall

Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan; Sarah Harris; John Kim
Cc:	Sarah Neville
Subject:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v6 OFA Legal comments.docx
Date:	Friday, October 27, 2017 4:12:32 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v6 OFA Legal comments.docx

Hi all,

Please see attached my black-lined responses and comments to the IESO's latest edits. I don't have any serious concerns with the proposed amendments. Please let me know if you have any further concerns. If everyone is satisfied with the intercept language, I will incorporate the same language into AA#10.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO’s role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"**Person**" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"**Purchase Money Mortgage**" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"**Repayment Date**" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"**Stated Maturity**" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness ~~when due~~ under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing ~~under this Agreement~~hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

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Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232

Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS3]: Okay; tracked language in AA#10

This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.~~9~~8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall

Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; John Kim
Subject:	FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Date:	Monday, October 30, 2017 4:19:17 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) For the purposes of the first Advance to be made under this Agreement (the "**First Advance**"), the purpose of which shall include the repayment of a portion of the IESO's outstanding indebtedness to the OFA under the [Credit Agreement between the Parties dated January 1, 2005, as amended, (the "**Existing Credit Facility**"), the IESO and the OFA agree that a specified portion of the entry of the First Advance on the Grid Note, as indicated in the Borrowing Notice, shall constitute a repayment under the Existing Credit Facility.

Section 3.3 Elections Regarding Advances.

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(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Re~~P~~payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as

such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date ~~,~~ herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness ~~when due~~ under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing ~~under this Agreement~~hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

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(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

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This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Sarah Harris; Sarah Neville; Caroline Swerdlyk
Cc:	Lisa Stein
Subject:	FHP Revolving Credit Facility Agreement Execution version
Date:	Friday, September 01, 2017 10:37:01 AM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 EXECUTION VERSION.docx FHP credit facility agreement draft (Sept 1 draft - compare to IESO Aug 30)v3.docx

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Hello all,

Please review and provide comments if you have any. The only change to this was Mike's title change. May I ask you to review this this morning?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged and confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message including any attachments, without reading it or making a copy. Thank you

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: August (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of August 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;
(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of

such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (h)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director; Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated August (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated August (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated August (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority

Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
	Total Principal Advanced									

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: August (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of August 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;
(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of

such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

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"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

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(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

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(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (h)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

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Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director—; Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

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SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated August (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated August (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Commented [CS7]: Moved up to (b)

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated August (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority

Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
	Total Principal Advanced									

From:	William Tan
To:	Sarah Harris; Sarah Neville; Caroline Swerdlyk
Cc:	Lisa Stein
Subject:	FHP Revolving Credit Facility Agreement Execution version
Date:	Friday, September 01, 2017 10:37:01 AM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 EXECUTION VERSION.docx FHP credit facility agreement draft (Sept 1 draft - compare to IESO Aug 30)v3.docx

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Hello all,

Please review and provide comments if you have any. The only change to this was Mike's title change. May I ask you to review this this morning?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged and confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message including any attachments, without reading it or making a copy. Thank you

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: August (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of August 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;
(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of

such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (h)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director; Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated August (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated August (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated August (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority

Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
	Total Principal Advanced									

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: August (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of August 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;
(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of

such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

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"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

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(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

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(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (h)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

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Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director—; Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

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SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated August (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated August (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Commented [CS7]: Moved up to (b)

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated August (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority

Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
	Total Principal Advanced									

From:	William Tan
To:	Carlos Yep; Risa Thau; John Kim; Alfonso Soriano
Cc:	Sarah Harris; Lisa Stein
Subject:	FHP Status Update
Date:	Friday, October 13, 2017 5:18:58 PM

Hello All,

This is to provide a status update for the existing $975 million OFA IESO Credit Facility (to be reduced to $475 million) and new $2 Billion FHP Credit Facility agreements. The agreements will be executed immediately after certain approvals have been made.

Currently, FHP related advances are being drawn on the existing $975 million OFA IESO Credit Facility. Once the agreements are in place, the intention is to have IESO draw primarily from the new $2 Billion FHP Credit Facility and reduce the existing $975 million OFA IESO Credit Facility down to the $475 million.

According to IESO the next draw will occur on October 20, for $840 million (outstanding loan + new advance).

The amount for the subsequent draw on November 21, is currently unknown but is expected to exceed the existing $975 million OFA IESO Credit Facility limit.

Assuming the $2 Billion FHP Credit Facility agreement is signed before November 21, we are considering two options for the November 21 advances:

(1) IESO will submit a borrowing notice for the November draw to be drawn entirely from the $2 Billion FHP Credit Facility.

Or

(2) IESO will submit a borrowing notice to draw a portion from the $2 Billion FHP Credit Facility in combination with an election notice to draw a portion of the remaining outstanding amount to allow for the existing OFA IESO Credit Facility to be reduced to a level below $475 million.

I will be consulting with IESO to determine which of these options will be chosen and will advise as to the option selected. I understand these facilities will need to be updated in OLMS. I am providing this information to all parties so that they may determine what arrangements are necessary in this regard.

Thanks,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Lisa Stein
To: Sarah Harris; Tobias P. Whitfield (MOF)
Subject: FHP agreement

From: Lisa Stein
To: Sarah Harris; Tobias P. Whitfield (MOF)
Subject: FHP agreement

From:	William Tan
To:	Anthony Martinello; "Victor Buza"
Cc:	Sarah Harris; Lisa Stein
Subject:	FHP and Amending Agreement No. 10 - Order of Events
Date:	Friday, October 27, 2017 5:05:27 PM

Hello Anthony and Victor,

Pending the execution of the intercept letter agreement next week, we can certainly target executing the FHP credit facility at that same time, however, we propose holding off the execution of the amending agreement until November 22nd .

Currently there is $840M outstanding under the existing credit facility agreement; we cannot reduce the limit of the $975M to $475M while the $840M is still outstanding. As per our discussion with Anthony, we understand that it is IESO's intention that the next draw for the whole balance of $840M (plus any new advancement) will be entirely funded through the new FHP facility (i.e. that is move all funding for next draw on November 21st from the existing $975 million Credit Facility to the $2 Billion FHP Credit Facility).

In order to achieve this with least disruption we propose:

- Sign the FHP Credit Facility agreement first next week (assuming intercept letter will be signed prior to or at the same time).
- For next advance, Prior to November 21st funding date, IESO sends to the OFA the FHP Borrowing Notice under the new Facility specifying the amount of the next advance ($840 million + new advance).
- Allow the $840 million outstanding under the existing $975 million Credit Facility to mature on November 21st and OFA will fund the November 21st advance (whereby OFA will send any net difference of funds above the $840M to IESO) under the new Facility.
- Arrange to execute Amending Agreement No. 10, on November 22 to reduce the existing credit facility on $475M.

Please provide your thoughts if this is suitable.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
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From: William Tan
To: Lisa Stein
Cc: Sarah Harris
Subject: FHP and Amending Agreement No. 10 - Order of Events
Date: Friday, October 27, 2017 10:42:24 AM

Hello Lisa,

Please review if you agree with the order of events so we may streamline the execution process with IESO.

Thanks,

Hello Anthony and Victor,

As per our discussion with Anthony, the entire balance of $840 million will be moved from the existing $975 million Credit Facility to the $2 Billion FHP Credit Facility. Currently we cannot reduce the existing $975 million limit under the facility while $840 million is still outstanding under it.

We propose to signing the FHP Credit Facility agreement first on November 1st and receiving the FHP Borrowing Notice to advance ($840 million + new advance) on November 16. Allow the $840 million outstanding under the existing $975 million Credit Facility to mature on November 21st . Sign the semi-executed Amending Agreement No. 10 on November 16 to reduced the existing credit facility on November 22nd.

Please provide you thoughts is this is suitable.

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
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From: William Tan
To: Sarah Harris; Lisa Stein; Caroline Swerdlyk; Sarah Neville; John Kim; Bruno Amara
Subject: FHP and Amending Agreement No. 10 update
Date: Wednesday, September 06, 2017 10:59:22 AM

Good morning,

I have spoken to Anthony (IESO) this morning. He is pleased with the agreements so far and will be providing me with a status update on them this afternoon. He expects to have the agreements signed by Friday (subject to the directive getting signed). Anthony will be providing a status update to Moody's on Friday regardless of the outcome.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
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From:	Lisa Stein
To:	Sarah Harris; John Kim
Cc:	Sarah Neville
Subject:	FHP credit facility agreement - intercept
Date:	Wednesday, September 20, 2017 4:22:52 PM

Hi Sarah and John,

Please note that I will be away until Monday. I've provided Sarah Neville with a draft version of the agreement containing intercept provisions. In the even that this matter moves forward in the next couple of days, please contact Sarah.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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Cc:	Sarah Neville
Subject:	FHP credit facility agreement - intercept
Date:	Wednesday, September 20, 2017 4:22:52 PM

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Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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****

From:	Lisa Stein
To:	Sarah Harris; William Tan
Subject:	FHP credit facility agreement Sept 8 OFA.docx
Date:	Monday, September 11, 2017 11:54:13 AM
Attachments:	FHP credit facility agreement Sept 8 OFA.docx

Latest version

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****

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****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance, ~~. [Either end sentence after "Advance" and delete remainder, OR keep the remainder but insert the words: "~~which shall in any case be] in accordance with Section 2.2~~]~~. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) ~~the outstanding principal amount of the Grid Note~~Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such A~~a~~dvances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Commented [VB1]: This appears to be the same as the definition of "Advances Outstanding" so ordinarily should use the defined term - see also item (v) of Grid Note. If this is different than the defined term, let us know.

Commented [LS2]: Program area to confirm? Delete if not included in the Grid Note.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment

Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Dd~~d~~efault and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of

actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to

such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Ddefault or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3)

Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies~~moneys~~ or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to

OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator

120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of~~or~~ this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

I have authority to bind the corporation.

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ~~Election Notice~~ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. ~~Borrowing Notice~~BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3)~~3.2~~ of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

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By: _____

By: _____

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Revolving Credit Facility Grid Note

Ontario Financing Authority

Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment		Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: Lisa Stein
To: Sarah Harris
Subject: FHP credit facility agreement Sept 8 OFA.docx
Date: Monday, September 11, 2017 11:02:47 AM
Attachments: FHP credit facility agreement Sept 8 OFA.docx

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

Commented [VB1]: NOTE - I bolded the 3 defined terms

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"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

Commented [VB2]: Grammar corrected

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Commented [VB3]: grammar requires correction

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Commented [VB4]: Made consistent with the language in Amending Agreement #10 and standard practice

Commented [LS5]: OK

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance. ~~.~~ ~~[Either end sentence after "Advance" and delete remainder, OR keep the remainder but insert the words: "~~which shall in any case be] in accordance with Section 2.2]. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the ~~outstanding principal amount of the Grid Note~~Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such A~~a~~dvances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment

Commented [VB6]: IESO is not actually certifying in accordance with the language in s.2.2, so this should be fixed in accordance with one of the options in order to be accurate.

Commented [LS7]: Agreed

Commented [VB8]: This appears to be the same as the definition of "Advances Outstanding" so ordinarily should use the defined term - see also item (v) of Grid Note. If this is different than the defined term, let us know.

Commented [LS9]: Agreed. Program area to confirm?

Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Dedefault and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of

Commented [VB10]: This is a defined term

Commented [LS11]: ok

actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to

such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Commented [VB12]: Defined term

Commented [LS13]: ok

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3)

Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies~~moneys~~ or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to

OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator

120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of~~or~~ this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

I have authority to bind the corporation.

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ~~Election Notice~~ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. ~~Borrowing Notice~~BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3)~~3.2~~ of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

~~By: _____~~

Commented [VB14]: Per the terms of our Board Resolution, IESO's CFO is authorized to sign all agreements, instruments and ancillary documents - no second signature line required here

Revolving Credit Facility Grid Note

Ontario Financing Authority

Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment		Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: Lisa Stein
To: Sarah Harris
Subject: FHP credit facility agreement Sept 8 OFA.docx
Date: Monday, September 11, 2017 11:02:47 AM
Attachments: FHP credit facility agreement Sept 8 OFA.docx

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

Commented [VB1]: NOTE - I bolded the 3 defined terms

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"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

Commented [VB2]: Grammar corrected

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Commented [VB3]: grammar requires correction

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Commented [VB4]: Made consistent with the language in Amending Agreement #10 and standard practice

Commented [LS5]: OK

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance. ~~.~~ ~~[Either end sentence after "Advance" and delete remainder, OR keep the remainder but insert the words: "~~which shall in any case be] in accordance with Section 2.2]. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the ~~outstanding principal amount of the Grid Note~~Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such A~~a~~dvances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment

Commented [VB6]: IESO is not actually certifying in accordance with the language in s.2.2, so this should be fixed in accordance with one of the options in order to be accurate.

Commented [LS7]: Agreed

Commented [VB8]: This appears to be the same as the definition of "Advances Outstanding" so ordinarily should use the defined term - see also item (v) of Grid Note. If this is different than the defined term, let us know.

Commented [LS9]: Agreed. Program area to confirm?

Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Dedefault and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of

Commented [VB10]: This is a defined term

Commented [LS11]: ok

actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to

such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Commented [VB12]: Defined term

Commented [LS13]: ok

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3)

Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies~~moneys~~ or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to

OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator

120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of~~or~~ this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

I have authority to bind the corporation.

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ~~Election Notice~~ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. ~~Borrowing Notice~~BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3)~~3.2~~ of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

~~By: _____~~

Commented [VB14]: Per the terms of our Board Resolution, IESO's CFO is authorized to sign all agreements, instruments and ancillary documents - no second signature line required here

Revolving Credit Facility Grid Note

Ontario Financing Authority

Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment		Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan
Subject:	FHP credit facility agreement Sept 8 OFA.docx
Date:	Monday, September 11, 2017 11:54:13 AM
Attachments:	FHP credit facility agreement Sept 8 OFA.docx

Latest version

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.

****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance, ~~. [Either end sentence after "Advance" and delete remainder, OR keep the remainder but insert the words: "~~which shall in any case be] in accordance with Section 2.2~~]~~. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) ~~the outstanding principal amount of the Grid Note~~Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such A~~a~~dvances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Commented [VB1]: This appears to be the same as the definition of "Advances Outstanding" so ordinarily should use the defined term - see also item (v) of Grid Note. If this is different than the defined term, let us know.

Commented [LS2]: Program area to confirm? Delete if not included in the Grid Note.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment

Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Dd~~d~~efault and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of

actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to

such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Ddefault or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3)

Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies~~moneys~~ or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to

OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator

120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of~~or~~ this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

I have authority to bind the corporation.

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ~~Election Notice~~ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. ~~Borrowing Notice~~BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3)~~3.2~~ of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

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By: _____

By: _____

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Revolving Credit Facility Grid Note

Ontario Financing Authority

Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment		Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	"Victor Buza"
Cc:	William Tan; Sarah Neville; Sarah Harris; John Kim
Subject:	FHP credit facility agreement amended
Date:	Tuesday, October 24, 2017 2:52:48 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5.pdf FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5(....docx

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Hi Victor,

Thank you for your voicemail. We are still reviewing the latest version of the intercept letter agreement and will get back to you regarding the IESO's comments shortly.

In addition, we have made an additional minor amendment to the credit facility agreement to add an "Entire Agreement" paragraph, in section 7.8. I've attached a black-lined version, as well as a new execution version (v.5), of the agreement for your review.

Please let me know if you have any concerns with this latest amendment to the credit facility agreement.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief
Investment Officer,
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM
OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	"Victor Buza"
Cc:	William Tan; Sarah Neville; Sarah Harris; John Kim
Subject:	FHP credit facility agreement amended
Date:	Tuesday, October 24, 2017 2:52:48 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5.pdf FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5(....docx

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Hi Victor,

Thank you for your voicemail. We are still reviewing the latest version of the intercept letter agreement and will get back to you regarding the IESO's comments shortly.

In addition, we have made an additional minor amendment to the credit facility agreement to add an "Entire Agreement" paragraph, in section 7.8. I've attached a black-lined version, as well as a new execution version (v.5), of the agreement for your review.

Please let me know if you have any concerns with this latest amendment to the credit facility agreement.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief
Investment Officer,
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM
OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: Sarah Harris
To: Opal Kandelas
Subject: FHP
Date: Wednesday, October 25, 2017 2:54:21 PM
Attachments: FW OIC PDF.msg
FW Fair Hydro -- Revised MTSA and IESO Security Agreement.msg
FW Fair Hydro -- Change of Law Assumption Agreement.msg
FW Fair Hydro -- Change of Law Assumption Agreement.msg
FW Fair Hydro -- Change of Law Assumption Agreement.msg

Hi Opal,

In relation to the Fair Hydro Plan, Malle thought it was a good idea for Documentation to be involved in reviewing the agreements, particularly with a view of structuring the Crown's guarantee as a contingent liability in the event that the funding from rate payers is no longer available to the OPG Asset.

Lot of fun, I'm sure!

Sarah

From: Hanslep, Malle (MOF) [Malle.Hanslep@ontario.ca]
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
CC: Tobias P. Whitfield (MOF) [Tobias.Whitfield@ontario.ca]
Subject: FW: OIC PDF
Date: Wednesday, October 25, 2017 14:46:43
Attachment 1: DOC.PDF

-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: September 19, 2017 1:33 PM
To: Strathy, Anna (OFA); Hanslep, Malle (MOF)
Subject: OIC PDF

PDF of OIC attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456

Original Message
From: ONP2F00851305@ontario.ca
Sent: Tuesday, September 19, 2017 12:35 PM
To: Whitfield, Tobias P. (MOF)
Reply To: ONP2F00851305@ontario.ca
Subject: Scan from a Xerox WorkCentre

Please open the attached document. It was scanned and sent to you using a Xerox WorkCentre.

Attachment File Type: PDF, Multi-Page

WorkCentre Location: machine location not set
Device Name: ONP2F00851305

Ontario

Executive Council of Ontario
Order in Council

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

Conseil exécutif de l'Ontario
Décret

Sur la recommandation de la personne soussignée, la lieutenante-gouverneure de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

WHEREAS pursuant to subsection 5(3) of the *Ontario Fair Hydro Plan Act, 2017* (the "Act"), the Lieutenant Governor in Council may by order authorize the Minister of Energy and the Minister of Finance, acting together on behalf of the Province to agree to guarantee or indemnify any debts, obligations, securities or undertakings associated with an investment interest as described under the Act;

AND WHEREAS pursuant to subsection 22(2) of the Act, Ontario Power Generation Inc. as financial services manager, may establish or cause to be established one or more financing entities (a "Financing Entity") that may incur funding obligations in connection with investment interests;

AND WHEREAS it is considered desirable to authorize the Minister of Energy and the Minister of Finance to agree to guarantee or indemnify debts, obligations, securities or undertakings of a Financing Entity associated with investment interests acquired by a Financing Entity;

NOW THEREFORE:

1. Pursuant to subsection 5(3) of the *Ontario Fair Hydro Plan Act, 2017*, the Minister of Energy and the Minister of Finance, acting together on behalf of Ontario, are authorized to enter into one or more agreements to guarantee or indemnify the debts, obligations securities or undertakings of a Financing Entity associated with investment interests acquired by a Financing Entity.

2. The Minister of Energy and the Minister of Finance, acting together on behalf of Ontario are authorized to determine terms and conditions of the guarantee or indemnity and the maximum liability for the guarantee and indemnity authorized under paragraph 1 of this Order.

- - - - - - -

ATTENDU QU'en vertu du paragraphe 5 (3) de la *Loi de 2017 sur le Plan ontarien pour des frais d'électricité équitables* (la « Loi »), le lieutenant-gouverneur en conseil peut, par décret, autoriser le ministre de l'Énergie et le ministre des Finances, agissant de concert au nom de la province, à accepter de garantir ou de rembourser les dettes, obligations, valeurs mobilières ou engagements associés à une participation d'investissement et prévus dans la Loi;

ATTENDU QU'en vertu du paragraphe 22 (2) de la Loi, Ontario Power Generation Inc., en tant que gestionnaire des services financiers, peut créer ou faire créer une ou plusieurs entités de

Authority Verified/Compétence vérifiée: _____

Please print name/Nom en lettres moulées s.v.p.: Tobias Whitfield

Telephone/Téléphone: 416-325-1456

Recommended by the Treasury Board/Management Board of Cabinet on:
Recommandé par le Conseil du Trésor / Conseil de gestion du gouvernement le : _____

Secretary/Secrétaire: _____

financement (une « entité de financement ») qui peuvent contracter des obligations de financement dans le cadre de la participation d'investissement;

ATTENDU QU'il est jugé souhaitable d'autoriser le ministre de l'Énergie et le ministre des Finances à accepter de garantir ou de rembourser les dettes, obligations, valeurs mobilières ou engagements d'une entité de financement qui sont associés à une participation d'investissement acquise par cette dernière;

EN CONSÉQUENCE :

1. En vertu du paragraphe 5 (3) de la *Loi de 2017 sur le Plan ontarien pour des frais d'électricité équitables*, le ministre de l'Énergie et le ministre des Finances, agissant de concert au nom de la province, sont autorisés à accepter de garantir ou de rembourser les dettes, obligations, valeurs mobilières ou engagements d'une entité de financement qui sont associés à une participation d'investissement acquise par cette dernière.

2. Le ministre de l'Énergie et le ministre des Finances, agissant de concert au nom de la province, sont autorisés à fixer les conditions et le plafond de la garantie ou du remboursement qu'autorise l'article 1 du présent décret.

_____

Recommended: Minister of Finance
Recommandé par : Le ministre des Finances

_____

Recommended: Minister of Energy
Recommandé par : Le ministre de l'Énergie

_____

Concurred: Chair of Cabinet
Appuyé par : Le président/la présidente du Conseil des ministres

Approved and Ordered:
Approuvé et décrété le :

_____

Lieutenant Governor
La lieutenante-gouverneure

From: Hanslep, Malle (MOF) [Malle.Hanslep@ontario.ca]
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
CC: Tobias P. Whitfield (MOF) [Tobias.Whitfield@ontario.ca]
Subject: FW: Fair Hydro -- Revised MTSA and IESO Security Agreement
Date: Wednesday, October 25, 2017 14:45:30
Attachment 1: image1df5da.JPG
Attachment 2: #24367979v3_TorysAtWork_ - Fair Hydro - MTSA (Osler Oct 20 Draft).DOCX
Attachment 3: Blackline_Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version) - 24367979v3.pdf
Attachment 4: IESO Security Agreement.docx

Hi – These are a lot of documents.

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: October 25, 2017 12:12 PM
To: Mansoori, Nina; Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
Cc: Feldman, Michael; Olusoga, Yinka; Saulnier, Brett; Ramchandani, Rima; WONG Leslie -LAWDIV; 'LEE John -TREASURY'; RYFA Ken -TREASURY
Subject: RE: Fair Hydro -- Revised MTSA and IESO Security Agreement

Malle and team, attached is a revised draft of the MTSA (clean and blacklined to the prior draft circulated to Steve), together with an initial draft of the IESO security agreement (as a reminder, in order to achieve a AAA rating in light of the moratorium period, it has been proposed that IESO enter into this security agreement in favour of the financing entity as security for the performance of its regulatory obligation to pay carrying costs during the moratorium).

FYI, these documents are currently under review by the IESO and Stikeman.

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

[torys.com]

From: Mansoori, Nina
Sent: October-24-17 5:21 PM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; STEPHEN.ASHBOURNE@blakes.com
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: RE: Fair Hydro -- Form of ISDA Schedule

All,

We attach a draft Schedule for an ISDA Master Agreement to be used for hedging purposes in connection with the issuance of Fair Hydro debt. This draft is subject to the working group's review and comment.

Best Regards,
Nina

Nina Mansoori
P. 416.865.7332

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TORYS
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MASTER TRANSFER AND SERVICING AGREEMENT

between

[FINANCING ENTITY]
as Issuer

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

- and -

■
as Indenture Trustee

Dated as of ■, 2017

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MASTER TRANSFER AND SERVICING AGREEMENT

THIS AGREEMENT made as of ■, 2017.

BETWEEN:

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario

(the "**Issuer**")

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital amalgamated under the laws of the Province of Ontario

(the "**Transferor**" in its capacity as transferor, the "**Servicer**", in its capacity as servicer, and the "**IESO**" in its capacity as both Transferor and Servicer)

- and -

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee

(the "**Indenture Trustee**")

WHEREAS the Government of Ontario has enacted the *Ontario Fair Hydro Act, 2017* (the "**Act**") for the purpose of, among other things, ensuring that clean energy costs and clean energy benefits (each as defined in the Act) are fairly allocated among present and future Specified Consumers;

AND WHEREAS, under the Act, the IESO is required to establish and maintain the Fair Hydro Variance Account, and has the right under the Act and the Regulations to record certain amounts in the Fair Hydro Variance Account and recover the balance from time to time of the Fair Hydro Variance Account from Specified Consumers (such right, the "**Regulatory Asset**");

AND WHEREAS the IESO may from time to time, in accordance with the Act, Transfer a Specified Portion of the Regulatory Asset to the Issuer on a fully-serviced basis, and pursuant to Section 26(3) of the Act, such a Transfer results in (i) a reduction in the balance in the Fair Hydro Variance Account, (ii) the corresponding adjustment of the Regulatory Asset, and (iii) the acquisition by the Issuer of an Investment Interest corresponding to the Specified Portion of the Regulatory Asset;

AND WHEREAS the Issuer may finance the acquisition from the IESO, from time to time, of an Investment Interest through the incurrence of Funding Obligations under the Indenture;

AND WHEREAS the Issuer will grant a security interest over all of the Issuer Investment Interest to and in favour of the Indenture Trustee on behalf of all Specified Creditors;

AND WHEREAS in connection with its ownership of the Issuer Investment Interest and in order to collect the associated Clean Energy Adjustments in accordance with the Act, the Issuer desires to engage the Servicer to carry out the services described herein and the Servicer desires to be so engaged;

AND WHEREAS the Indenture Trustee has been appointed pursuant to the Indenture to act on behalf of all Specified Creditors (as defined in the Indenture) and wishes to acknowledge and accept the rights and obligations granted to it thereby, including, but not limited to, its rights set forth in this Agreement.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**Act**" has the meaning ascribed thereto in the recitals;

"**Agreement**" means this master transfer and servicing agreement, as amended, supplemented, modified, restated or replaced from time to time, and the expressions "herein", "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and not to any Article, Section, paragraph, subparagraph or clause hereof;

"**Billing Period**" means a calendar month in which the Clean Energy Adjustment is billed to Specified Consumers;

"**Board**" means the Ontario Energy Board, a statutory corporation without share capital continued under the *Ontario Energy Board Act, 1998*, S.O., 1998;

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

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations;

"**CEA Consumer Invoice Amounts**" means amounts invoiced by an Electricity Vendor to Specified Consumers in respect of the Clean Energy Adjustment based on the rates established by the Board;

"**Clean Energy Adjustment**" has the meaning ascribed to the term "clean energy adjustment" in the Act;

"**Closing Date**" means the date on which a Transfer is completed as specified in the applicable Transfer Notice;

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the parties hereto and any other owner or owners of an Investment Interest as contemplated by Section 29(5) of the Act in form and substance satisfactory to the parties hereto, acting reasonably;

"**Co-Owner Implementation Date**" means the date, if any, upon which the Issuer Investment Interest ceases to be the only Investment Interest outstanding representing the full Investment Asset;

"**Collection Account**" has the meaning ascribed thereto in Section **[8.02(a)]**[1] of the Indenture;

"**Daily Remittance Event**" means the occurrence of either: (i) a Servicer Default or (ii) the IESO (or any successor thereto) ceasing to have the Required Servicer Rating;

"**Declaration of Trust**" means the declaration of trust made as of ■, 2017 under which the Issuer was established, as may be supplemented, amended, replaced or amended and restated from time to time;

"**Electricity Vendor**" has the meaning ascribed to the term "electricity vendor" in the Act;

"**Electricity Vendor CEA Collections**" means payments actually received by Electricity Vendors from Specified Consumers in respect of Clean Energy Adjustments;

"**Electricity Vendor Billing Period Report**" means a report as contemplated by Section 17(s) of the Act from each Electricity Vendor in respect of each Billing Period where Clean Energy Adjustments are billed to Specified Consumers containing:

(a) its total CEA Consumer Invoice Amounts in such Billing Period;

(b) its total Electricity Vendor CEA Collections during such Billing Period; and

(c) such other information as may be agreed to.

"**Eligible Deposit Account**" means an account in Canada with an Eligible Institution;

"**Eligible Institution**" means:

1 All cross-references to the Indenture to be conformed to the final version of the Indenture.

(a) at any time before the Co-Owner Implementation Date, an "Eligible Institution" as defined in the Indenture; and

(b) at any time on or after the Co-Owner Implementation Date, an "Eligible Institution" as defined in the applicable Co-Owner Agreement;

"**Fair Hydro Variance Account**" means the variance account established by the IESO pursuant to Section 24(1) of the Act;

"**Financing Entity**" has the meaning ascribed to the term "financing entity" in the Act;

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act;

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

"**IESO**" or "**Independent Electricity System Operator**" means the Independent Electricity System Operator, a statutory corporation without share capital established by the *Electricity Act, 1998*, SO, 1998;

[NTD: The Issuer may at some point have to publicly file this Agreement, and a copy of it will be circulated to the rating agencies. Therefore, it seems prudent not to include IESO bank account details in the Agreement.]

"**IESO Deferral**" has the meaning ascribed to the term "IESO deferral" in the Act;

"**IESO Disclosure**" has the meaning ascribed thereto in Section 5.7;

"**IESO Segregated Account**" has the meaning ascribed thereto in Section means the account established under Section 3.4(a);

"**Indemnified Losses**" has the meaning ascribed thereto in Section 6.1(a);

"**Indemnified Party**" has the meaning ascribed thereto in Section 6.1(a);

"**Indenture**" means the master trust indenture dated ■, 2017 between the Indenture Trustee and the Issuer;

"**Indenture Trustee**" means ■, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee for the benefit of Specified Creditors, or any successor thereto, under the Indenture;

"**Insolvency Event**" means, with respect to a specified Person, the specified Person admits the inability of such specified Person to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of such specified Person or otherwise

acknowledges the insolvency of such specified Person or any proceeding shall be instituted by or against such specified Person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization, moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, trustee or other similar official for such specified Person or for any substantial part of its property and if such proceeding has been instituted against such specified Person either such proceeding has not been stayed or dismissed within **[45]** days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part, or if a receiver is privately appointed in respect of such specified Person or of the property of such specified Person or any substantial part thereof;

"**Investment Asset**" has the meaning ascribed to the term "investment asset" in the Act;

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act;

"**Issuer**" means ■, a trust formed under the laws of the Province of Ontario;

"**Issuer Funding Obligations**" means the Funding Obligations of the Issuer;

"**Issuer Investment Interest**" means, initially, the Investment Interest acquired by the Issuer pursuant to the first Transfer completed under this Agreement and, upon the completion of each Transfer thereafter, the cumulative Investment Interest acquired by the Issuer;

"**Issuer Share**" means:

(a) at any time before the Co-Owner Implementation Date, 100%; and

(b) at any time on or after the Co-Owner Implementation Date, the percentage determined in accordance with the applicable Co-Owner Agreement;

"**Issuer Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Issuer at such time;

"**Lien**" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind;

"**Management Agreement**" means the management agreement dated ■, 2017 between the Manager and the Issuer;

"**Manager**" means OPG, in its capacity as manager of the Issuer, and any successor appointed in accordance with the Management Agreement;

"**Minister**" means the Minister of Energy or such other member of the Executive Council as may be assigned the administration of the Act under the *Executive Council Act*;

"**Monthly Carrying Costs**" has the meaning ascribed thereto in Section 3.14(b);

"**Monthly Carrying Costs Statement**" has the meaning ascribed thereto in Section 3.14(b);

"**Monthly Report**" has the meaning ascribed thereto in Section 3.5(a);

"**Officer's Certificate**" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section **[10.01]** of the Indenture, and delivered to the Indenture Trustee;

"**OPG**" means Ontario Power Generation Inc., a corporation established under the laws of the Province of Ontario;

"**Opinion of Counsel**" means one or more written opinions of counsel, which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party;

"**Permitted Successor**" means any successor to the IESO under the Act, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, conversion, acquisition, sale or transfer, by operation of law, as a result of any restructuring, or otherwise, but only to the extent such successor is approved by the Minister;

"**Permitted Transfer**" means (i) a Transfer to the Issuer pursuant to this Agreement; and (ii) a Transfer to a person who has entered into a Co-Owner Agreement with, inter alia, the Issuer.

"**Person**" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority;

"**Proceeding**" means any suit in equity, action at law or other judicial or administrative proceeding;

"**Program Agreements**" has the meaning ascribed thereto in the Indenture;

"**Purchase Price**" has the meaning ascribed thereto in Section 2.1(a);

"**Rating Agency**" has the meaning ascribed thereto in the Indenture;

"**Rating Agency Condition**" has the meaning ascribed thereto in the Indenture;

"**Records**" has the meaning ascribed thereto in Section 7.1;

"**Regulations**" means Ontario Regulation 206/17: General, together with any other regulations promulgated under the Act;

"**Regulatory Asset**" has the meaning ascribed thereto in the recitals;

"**Released Parties**" has the meaning ascribed thereto in Section 6.1(f);

"**Remittance Date**" means, in respect of each Billing Period, the **[3rd]** Business Day following the last day of each Billing Period;

"**Required Servicer Rating**" means ■; **[NTD: Definition to tie to loss of investment grade credit rating.]**

"**Requirement of Law**" means any foreign, Canadian federal, provincial or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law;

"**Responsible Officer**" means, with respect to: (a) the Issuer, any authorized director or officer of the Manager; (b) the Servicer, any authorized director or officer of the IESO; (c) a Successor Servicer, any authorized director or officer of the Successor Servicer; and (d) the Indenture Trustee, any officer of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject);

"**Servicer**" means the Independent Electricity System Operator, as Servicer under this Agreement, or any Successor Servicer to the extent permitted under this Agreement;

"**Servicer CEA Receipts**" has the meaning ascribed thereto in Section 3.4(e);

"**Servicer Default**" has the meaning ascribed thereto in Section 7.1;

"**Specified Consumer**" has the meaning ascribed to the term "specified consumer" in the Act;

"**Specified Creditors**" has the meaning ascribed thereto in the Indenture;

"**Specified Portion**" means, in respect of the Regulatory Asset and any Transfer, the portion of the Regulatory Asset subject to such Transfer, as set out in the applicable Transfer Notice.

"**Successor Servicer**" has the meaning ascribed thereto in Section **[3.07(e)]** of the Indenture;

"**Supplemental Indenture**" means an indenture supplemental to the Indenture that authorizes the incurrence of Funding Obligations;

"**Termination Event**" has the meaning ascribed thereto in Section ■;

"**Termination Notice**" has the meaning ascribed thereto in Section 7.1;

"**Transfer**" has the meaning ascribed to the term "transfer" in the Act, and "**Transferred**" has a corresponding meaning;

"**Transfer Notice**" means a Transfer Notice in respect of a Transfer substantially in the form of Exhibit A to this Agreement and delivered pursuant to Section 2.1(a) of this Agreement; and

"**Transferor**" means the Independent Electricity System Operator, as transferor under this Agreement;

1.2 Sections and Headings[2]

The table of contents does not form part of this Agreement. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

(a) Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. A reference to any agreement, instrument or declaration means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or replaced from time to time.

(b) The term "**including**" means "including without limitation", and other forms of the verb "**include**" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated, in the computation of a period of time from a specified date to a later specified date, the word "**from**" means "**from and including**" and each of the words "**to**" and "**until**" means "**to but excluding**".

(e) The words "**hereof**", "**herein**" and "**hereunder**" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, unless otherwise specified. References to Articles, Sections, Appendices and Exhibits in this Agreement are references to Articles, Sections, Appendices and Exhibits in or to this Agreement unless otherwise specified.

(f) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor.

(g) The word "**will**" shall be construed to have the same meaning and effect as the word "**shall**". The word "**or**" is not exclusive.

2 Torys to conform boilerplate provisions, as applicable, across all transaction documents.

ARTICLE 2
TRANSFER OF SPECIFIED PORTIONS OF THE REGULATORY ASSET

2.1 Transfer Notices and Agreement to Transfer a Specified Portion of the Regulatory Asset

(a) The Transferor may, no more frequently than monthly and no later than the 8th Business Day of any calendar month, offer to Transfer to the Issuer a Specified Portion of the Regulatory Asset by providing to the Issuer a Transfer Notice executed by the Transferor and setting out (i) the Specified Portion of the Regulatory Asset that the Transferor is offering to Transfer to the Issuer, (ii) the consideration to be paid to the Transferor by the Issuer for the Transfer (the "**Purchase Price**") which shall be equal to the amount of such Specified Portion of the Regulatory Asset, (iii) the Closing Date to effect such transfer which shall be no earlier than the **[5th]** Business Day after the delivery of the Transfer Notice and no later than the last Business Day of the calendar month in which the Transfer Notice was delivered, or such other Business Day as may be agreed by the Transferor and the Issuer, and (iv) such other information as required in the form of Transfer Notice attached as Exhibit A hereto.

(b) On or before the 2nd Business Day following receipt of a Transfer Notice, the Issuer shall have the right, but not the obligation, to accept the Transferor's offer to Transfer the Specified Portion of the Regulatory Asset subject to the Transfer Notice by executing and returning such Transfer Notice to the Transferor. Upon acceptance by the Issuer of the Transfer Notice, there shall be a binding agreement for IESO to Transfer the Specified Portion of the Regulatory Asset and for the Issuer to pay the Purchase Price, subject to satisfaction of all conditions precedent in Section 2.2.

(c) Provided that all conditions precedent set out in Section 2.2 have been satisfied on or prior to the applicable Closing Date, on the applicable Closing Date, the Issuer shall deliver or cause to be delivered to the Transferor, by bank wire transfer or bank electronic funds transfer, in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set forth in the applicable Transfer Notice. The Transferor agrees that receipt by the Transferor of the payment referred to in this Section 2.1(c) is receipt by the Transferor of a payment referred to in Section 26(3) of the Act.

(d) Upon receipt by the Transferor of the payment referred to in Section 2.1(c), the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price received and shall retain no further right, title or interest in the corresponding Issuer Investment Interest.

(e) The parties intend that this Agreement, together with each Transfer Notice accepted by the Issuer, constitute an agreement, for purposes of Section 27(2) of the Act for the Transferor to dispose, upon receipt by the Transferor of the payment referred to

in Section 2.1(d), of a Specified Portion of the Regulatory Asset and to assign, convey or sell a corresponding Investment Interest to the Issuer.

2.2 Conditions Precedent to each Transfer of a Specified Portion of the Regulatory Asset

(a) The obligation of the Issuer to pay the Purchase Price related to the initial Transfer of a Specified Portion of the Regulatory Asset shall be subject to the satisfaction by the Transferor, or waiver by the Issuer and the Indenture Trustee, of the following conditions:

(i) the Issuer and the Indenture Trustee shall have received from the Transferor the following documents, in form and substance satisfactory to each of the Issuer and the Indenture Trustee:

(A) a certificate of an officer of the IESO, dated the initial Closing Date certifying (1) that attached thereto is a true and complete copy of the by-laws of the IESO, each as in effect on the date of such certificate, (2) that attached thereto is a true and complete copy of a resolution adopted by the IESO's board of directors authorizing the execution, delivery and performance of this Agreement and the performance by the IESO of its obligations hereunder, and that such resolution has not been modified, rescinded or amended and is in full force and effect, and (3) as to the incumbency and true specimen signature of each of the IESO officers or delegates executing this Agreement and authorized to give notices and instructions hereunder (which can be changed by notice hereunder); and

(B) the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them. **[NTD: Scope of opinions required to be confirmed by the Dealers and their counsel]**

(b) The obligation of the Issuer to pay the Purchase Price related to each Transfer of a Specified Portion of the Regulatory Asset (including the initial Transfer) shall be subject to the satisfaction or waiver by the Issuer and the Indenture Trustee of each of the following conditions:

(i) as of the applicable Closing Date, all Program Agreements shall have been entered into on terms and conditions satisfactory to the Issuer and the Indenture Trustee and shall be in full force and effect as of such Closing Date;

(ii) as of the applicable Closing Date, no Insolvency Event in respect of the Transferor shall have occurred and the Transferor is not aware of any pending Insolvency Event with respect to itself;

(iii) as of the applicable Closing Date, (A) the representations and warranties of the IESO in this Agreement must be true and correct with the same force and effect as if made on that date (except to the extent they relate to an earlier date), (B) no breach of any covenant or agreement of the IESO contained in this Agreement shall have occurred be continuing, and (C) no Servicer Default shall have occurred and be continuing;

(iv) on or prior to the applicable Closing Date, the Transferor shall have taken all action required to provide for the Transfer, upon payment of the Purchase Price, of the Specified Portion of the Regulatory Asset as set forth in the applicable Transfer Notice on the Closing Date, free and clear of all Liens other than Liens created by the Issuer pursuant to the Program Agreements;

(v) the Transferor shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate confirming the satisfaction of each condition precedent specified in Sections 2.2(b)(i), (ii), (iii) and (iv);

(vi) as of the applicable Closing Date, (A) the Issuer shall have sufficient funds available to pay the Purchase Price as set forth in the applicable Transfer Notice, (B) all conditions to any incurrence of Funding Obligations intended to provide such funds set forth in the Indenture (and any applicable Supplemental Indenture) or other instrument shall have been satisfied or waived, (C) the Rating Agency Condition in respect of the issuance of the Funding Obligations funding the payment of the Purchase Price shall have been satisfied, and (D) the Funding Obligation required to fund the payment of the Purchase Price shall have been issued at the same time as, or prior to, the Transfer; and

(vii) after giving effect to the Transfer, each of the Fair Hydro Variance Account and the Regulatory Asset will have a balance or amount, as applicable, equal to or greater than zero.

ARTICLE 3
ROLE OF THE SERVICER

3.1 Designation of Servicer

Each Transfer of a specified portion of the Regulatory Asset shall be made on the basis that the related Issuer Investment Interest shall be serviced by the Servicer in accordance with this Article 3, and the IESO or any Permitted Successor of the IESO that is the Servicer shall not be entitled to receive any further compensation from the Issuer for its services in connection therewith. The Servicer agrees to perform the duties and obligations of the Servicer pursuant to the terms hereof at no additional cost to the Issuer.

3.2 Forecast of Electricity Consumption

The IESO shall:

(a) provide to the Board and the Financial Services Manager the forecasts of electricity consumption by Specified Consumers as contemplated by Section 8(3) of the Regulations; and

(b) provide to the Board and the Financial Services Manager such other information and reports as the Board or the Financial Services Manager may reasonably request in connection with the calculation of the Clean Energy Adjustments and which is reasonably available to the Transferor without incurring material incremental expense.

3.3 ISO Deferral

The IESO shall:

(a) determine the IESO Deferral as required by Section 23 of the Act and the Regulations; and

(b) maintain the Fair Hydro Variance Account as required by Section 24 of the Act and the Regulations.

3.4 Clean Energy Adjustments and Electricity Vendors

The Servicer shall:

(a) prior to receiving Servicer CEA Receipts, establish an Eligible Deposit Account (the "**IESO Segregated Account**") bearing a designation indicating that the funds deposited therein are held in trust for the benefit of the Issuer and, after the Co-Owner Implementation Date, for the benefit of any other owner or owners of an Investment Interest. If at any time the IESO Segregated Account ceases to be an Eligible Deposit Account, the Servicer shall within 30 days establish a new IESO Segregated Account as an Eligible Deposit Account and shall transfer any cash and/or any investments held in the former account to such new account and make all future deposits to such new account;

(b) prior to the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, make reasonable efforts to work with each Electricity Vendor to:

(i) establish a segregated account into which Electricity Vendor CEA Collections are to be deposited as required by Section 10(2) of the Regulations;

(ii) settle a form of Electricity Vendor Billing Period Report to be used by such Electricity Vendor; and

(iii) establish procedures for the invoicing by such Electricity Vendor of amounts in respect of the Clean Energy Adjustment, the identification, deposit and segregation of Electricity Vendor CEA Collections, the remittance of Electricity Vendor CEA Collections to the Servicer and reporting to the Servicer; **[NTD: Generally, someone will need to take responsibility for educating the Electricity Vendors and we believe the IESO is best positioned to take on this role given its existing relationships and opportunities to interact with the EVs.]**

(c) request certification from each Electricity Vendor that the segregated account required by Section 10(2) of the Regulations has been established by that Electricity Vendor;

(d) as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive Electricity Vendor CEA Collections from Electricity Vendors;

(e) as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive any amounts in respect of Clean Energy Adjustments payable directly by Specified Consumers to the Servicer (such amounts, together with the amounts referred to in Section 3.4(d), the "**Servicer CEA Receipts**");

(f) deposit the Servicer CEA Receipts into the IESO Segregated Account promptly following receipt by the Servicer and, in any event, within [two Business Days] of receipt by the Servicer and the Issuer Share of such Servicer CEA Receipts shall remain in the IESO Segregated Account until remitted in accordance with Section 3.6;

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

(h) request from each Electricity Vendor an Electricity Vendor Billing Period Report in respect of each Billing Period during which Clean Energy Adjustments are billed to Specified Consumers; such report to be requested to be delivered within ■ Business Days of the end of each Billing Period;

(i) review each Electricity Vendor Billing Period Report received by the Servicer for material manifest discrepancies including any discrepancy between the Electricity Vendor CEA Collections reported in respect of the Billing Period and the amount remitted pursuant to Section 3.4(d);

(j) make reasonable efforts to contact each Electricity Vendor that:

(i) does not deliver an Electricity Vendor Billing Period Report in respect of a Billing Period where Clean Energy Adjustments were payable by Specified Consumers;

(ii) does not remit any Electricity Vendor CEA Collections in accordance with Section 3.4(d) or remits Electricity Vendor CEA Collections that do not match the amount thereof reported in its Electricity Vendor Billing Period Report,

(iii) delivers an Electricity Vendor Billing Period Report that has any other material manifest discrepancy detected by the Servicer, or

(iv) does not certify that it has established the segregated account required by Section 10(2) of the Regulations,

and attempt to resolve the applicable issue;

(k) on a periodic basis as requested by the Issuer, review, pursuant to its rights under Section 10(4) of the Regulations, the records maintained by each Electricity Vendor with respect to Clean Energy Adjustments; provided that in the absence of evidence of material non-compliance by an Electricity Vendor with its duties and obligations in respect of Clean Energy Adjustments, the Servicer shall not be required to review the records of a Electricity Vendor more often than ■.

(l) hold the Issuer Share of Servicer CEA Receipts and the Issuer Share of any other proceeds in respect of the Clean Energy Adjustment received by it in trust for the benefit of the Issuer and remit such amounts in accordance with this Section 3.6 without any surcharge, fee, offset, charge or other deduction.

3.5 Reporting

The Servicer shall:

(a) on or before the **[8th Business Day]** following the end of each Billing Period, prepare and deliver to the Issuer a written report substantially in the form of Exhibit B (a "**Monthly Report**");

(b) report to the Issuer any delinquencies by Electricity Vendors in respect of the CEA amounts collected and the remittance of Electricity Vendor CEA Collections;

(c) report to the Issuer any unresolved matters referred to in Section 3.4(j);

(d) promptly notify the Issuer in writing of any Requirement of Law hereafter adopted or announced or the occurrence of any other event or circumstance of which it becomes aware that has a material adverse effect on the Servicer's ability to perform its duties and obligations under this Agreement; and

(e) upon the reasonable request of the Issuer, the Indenture Trustee or any Rating Agency, provide to the Issuer, the Indenture Trustee or such Rating Agency, as the case may be, any public financial information in respect of the Servicer, or any material information regarding the Issuer Investment Interest or the Regulatory Asset, to the extent it is reasonably available to the Servicer and as may be

reasonably necessary and permitted by law, to enable the Issuer, the Indenture Trustee or the Rating Agencies to monitor the performance by the Servicer of its duties and obligations hereunder.

3.6 Remittances

(a) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA Receipts received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period.

(b) Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA Receipts on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account on each Business Day.

3.7 Limits to Obligations

Without in any way limiting the duties and obligations of the Servicer arising under the Act or the Regulations, the parties hereto agree the duties and obligations of the Servicer under this Agreement are limited as provided in this Section 3.7.

(a) The Servicer is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from their customers or not remitted by Electricity Vendors to the Servicer.

(b) The Servicer is not responsible for enforcing the obligations of Specified Consumers or Electricity Vendors to invoice, collect or remit Clean Energy Adjustments or any other amounts.

(c) The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations including (i) the invoicing of Specified Consumers in respect of the Clean Energy Adjustment and ancillary matters related thereto; (ii) the collection from Specified Consumers of amounts due in respect of such invoices and the remittance of such payments to the Servicer; (iii) the accuracy of any information provided by the Electricity Vendors; and (iv) any reporting by the Electricity Vendors, including the reporting to the Servicer of the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and the Issuer Share of Electricity Vendor CEA Collections received by such Electricity Vendor.

(d) The Servicer is under no responsibility or obligation to the Issuer with respect to whether the Clean Energy Adjustments funds remitted by the Servicer to Issuer during any or all periods is sufficient to satisfy the Issuer's obligations.

(e) The Servicer is under no obligation to initiate or prosecute any legal action relating to the collection of the Issuer Investment Interest.

3.8 Servicing and Maintenance Standards

(a) The Servicer shall discharge its duties, responsibilities and obligations hereunder with reasonable care and in material compliance the Requirements of Law, including the Act and the Regulations and shall follow standards, policies and procedures in performing its duties as Servicer hereunder that are customary for an electricity market operator and administrator that regularly performs settlement functions. In furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with reasonable care and in material compliance with applicable Requirement of Laws, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to similar settlement activities on its own account.

(b) The Servicer may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising under this Agreement.

(c) Neither the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment.

3.9 Appointments

The Servicer may at any time appoint any Person to act as its agent to perform all or any portion of its obligations as Servicer hereunder; provided however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided further that the Servicer shall remain obligated and be liable for the performance of its obligations under this Agreement without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were performing such obligations. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, and the Issuer shall not have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section 3.11.

3.10 Term

The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off (in each case, a "**Termination Event**"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.

3.11 Resignation of Servicer

The IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and the Rating Agencies at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and the Rating Agencies concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.12 Mergers

Any Person (a) into which the Servicer may be merged, converted or amalgamated and that is a Permitted Successor, (b) that may result from any merger, conversion or amalgamation to which the Servicer shall be a party and that is a Permitted Successor, (c) that may succeed to the properties and assets of the Servicer substantially as a whole and that is a Permitted Successor, or (d) that otherwise is a Permitted Successor, which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Servicer hereunder, shall be the successor to the Servicer under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 4.1 shall have been breached and no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, (ii) the Servicer shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger or succession and such agreement of assumption complies with this Section 3.12 and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (iii) the Servicer shall have given to the Issuer prior written notice of such transaction. When any Person that is a Permitted Successor acquires the properties and assets of the Servicer substantially as a whole or otherwise becomes the successor, by merger, conversion, consolidation, sale, transfer, lease or otherwise, to all or substantially all the assets of the Servicer in accordance with the terms of this Section 3.12, then, upon satisfaction of all of the other conditions of this Section 3.12, the preceding Servicer shall automatically and without further notice be released from all of its obligations hereunder (except for responsibilities for its actions prior to such release).

3.13 The IESO Not to Resign as Servicer

Subject to the provisions of Section 3.12, the IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and each Rating Agency at the earliest practicable time (and, if such communication is not in writing, shall be

confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and each Rating Agency concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.14 IESO Regulatory Obligation to Pay Carrying Costs

(a) During the period beginning on December 1, 2017 and ending on July 31, 2021, the IESO shall, as required under the Regulations, pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs during the period beginning on June 1, 2017 and ending on July 31, 2021.

(b) On or before the 4th Business Day of each calendar month, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of Exhibit C (a "**Monthly Carrying Costs Statement**") setting out the amount of Carrying Costs in respect of the preceding calendar month ("**Monthly Carrying Costs**").

(c) On or before the 8th Business Day following receipt by the IESO of the Monthly Carrying Costs Statement, the IESO shall, as required under the Regulations, deliver or cause to be delivered to the Issuer, by wire transfer or electronic funds transfer in immediately available funds, an amount in Canadian dollars equal to the Monthly Carrying Costs set forth in the applicable Monthly Carrying Costs Statement.

3.15 IESO Security for CEA Remittances

If required by the Issuer, the IESO shall provide to the Issuer, on or prior to the first day of the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, a letter of credit in an amount equal to $■, or such other form of security as may be acceptable to the Issuer and the Indenture Trustee, as security for any failure of Electricity Vendors, following [July 31, 2021], to remit the Electricity Vendor CEA Collections.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE IESO

4.1 Representations and Warranties

Subject to Section 4.3, the IESO makes the following representations and warranties as of the date hereof and as of each applicable Closing Date, and the IESO acknowledges that the Issuer and the Indenture Trustee will rely thereon in paying the Purchase Price related to Transfers of Specified Portions of the Regulatory Asset, and the Issuer has relied thereon in entering into this Agreement relating to the servicing of the corresponding Investment Interests.

(a) Organization and Good Standing. The IESO is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite corporate power and

authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it.

(b) Due Qualification. The IESO has obtained all necessary licences and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including acting as Servicer under this Agreement) shall require such licences or approvals, except where the failure to so qualify or obtain such licences and approvals would not be reasonably likely to have a material adverse effect on the IESO's business, operations, assets, revenues or properties, the Regulatory Asset or the servicing of related Investment Interests.

(c) Power and Authority. The IESO has the requisite corporate power and authority to execute and deliver this Agreement and to carry out its terms. The IESO has full corporate power and authority to hold the Regulatory Asset and to Transfer Specified Portions of the Regulatory Asset to the Issuer and the IESO has duly authorized such Transfer to the Issuer by all necessary corporate action. The execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary corporate action on the part of the IESO under all applicable laws.

(d) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the IESO, enforceable against the IESO in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof by the IESO do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time, or both) a default under, the IESO's by-laws, or any indenture, or other material agreement or instrument to which the IESO is a party or by which it is bound, result in the creation or imposition of any Lien upon any of the IESO's properties pursuant to the terms of any such indenture, agreement or other instrument or violate any existing law or any order, rule or regulation applicable to the IESO issued by any Governmental Authority having jurisdiction over the IESO or its properties.

(f) No Proceedings. To the IESO's knowledge, there are no Proceedings pending or threatened against the IESO or its properties: (a) asserting the invalidity of this Agreement or the Act, (b) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Act, or (c) seeking a determination or ruling that could reasonably be expected to materially and adversely affect the performance by the IESO of its obligations under, or the validity or enforceability of, this Agreement or the Act.

(g) Approvals. No approvals, authorizations, consents, orders or other actions or filings with any Governmental Authority are required for the IESO to execute, deliver and perform its obligations under this Agreement except those which have previously been obtained or made.

(h) Information. At the date hereof and as of each applicable Closing Date, except in respect of information provided by a third party, all written information, as amended or supplemented from time to time, provided by the Transferor to the Issuer with respect to the Regulatory Asset is true and correct in all material respects and does not omit any material facts.

(i) The Transfer. After the completion of the Transfer on the applicable Closing Date, the IESO will have no right, title or interest in the Investment Interest related to the Specified Portion of the Regulatory Assets as set forth in the applicable Transfer Notice and the related Investment Interest shall not form part of the estate of the IESO in the event of an Insolvency Event in respect of the IESO.

(j) No Transfer. Except for Permitted Transfers, the IESO has not sold, transferred, assigned or otherwise conveyed any interest in the Regulatory Asset to any Person.

(k) Liens. IESO has not pledged or otherwise granted a Lien to any Person in the Regulatory Asset and to the IESO's knowledge (after due inquiry), there is no registered financing statement listing the IESO as debtor covering or extending to the Regulatory Asset.

(l) Tax Liens. The IESO (i) is not aware, after due inquiry, of any judgment or tax lien filing against the IESO, and (ii) is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada).

(m) Solvency. On the date hereof and after giving effect to each Transfer, the IESO:

(i) reasonably believes that it will be able to pay its debts as they come due; and

(ii) is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

(n) No Court Order. There is no order by any court that seeks to enjoin the performance of any obligations of the IESO under the Act or this Agreement.

4.2 Survival

The representations and warranties set forth in Section 4.1 shall survive the execution and delivery of this Agreement, each Transfer of an Investment Interest to the Issuer and the pledge thereof to the Indenture Trustee pursuant to the Indenture and may not be waived by any party hereto except pursuant to a written agreement executed in accordance with Section 8.1 and as to which the Rating Agency Condition has been satisfied.

4.3 Limitations on Representations and Warranties

Notwithstanding anything in this Agreement to the contrary, the IESO makes no representation or warranty with respect to the collectability of the Issuer Share of Servicer CEA Receipts or that the Issuer Share of Servicer CEA Receipts be sufficient to satisfy the Issuer's Funding Obligations.

ARTICLE 5
COVENANTS OF THE IESO

5.1 Existence

So long as any Issuer Funding Obligations are outstanding, the IESO (a) will keep in full force and effect its existence and remain validly existing under the laws of the Province of Ontario, and (b) will obtain and preserve its qualifications to do business in each jurisdiction in which such qualification is or will be necessary to protect the validity and enforceability of this Agreement and each other instrument or agreement to which the IESO is a party necessary for the proper administration of this Agreement and the transactions contemplated hereby.

5.2 No Transfer or Liens

Except for Transfers under this Agreement to the Issuer or Permitted Transfers, the IESO will not Transfer the Regulatory Asset or any portion thereof to any person. The IESO will not grant, create, incur, assume or suffer to exist any Lien on the Regulatory Asset or any portion thereof. The IESO will not at any time assert any Lien against or with respect to the Issuer Investment Interest, and will defend the right, title and interest of the Issuer and of the Indenture Trustee, on behalf of the Specified Creditors, in, to and under the Issuer Investment Interest against all claims of third parties claiming through or under the Transferor.

5.3 Notice of Liens

The IESO shall notify the Issuer and the Indenture Trustee promptly after becoming aware of any Lien on any portion of the Regulatory Asset.

5.4 Compliance with Law

The IESO will comply with all Requirements of Law applicable to, and binding upon, the IESO or relating to the Regulatory Asset, the Investment Asset or Investment Interests, except to the extent that failure to so comply would not materially adversely affect the Issuer's or the Indenture Trustee's interests in the Issuer Investment Interest, the value of the Issuer Investment Interest, the timing or amount of Clean Energy Adjustments payable by Specified Consumers or the IESO's performance of its obligations under this Agreement; provided, however, that the foregoing is not intended to, and shall not, impose any liability on the IESO for non-compliance with any Requirement of Law that the IESO is contesting in good faith in accordance with its customary standards and procedures.

5.5 Covenants Related to the Investment Interest

(a) So long as any Issuer Funding Obligations are outstanding, the IESO shall treat the Issuer Investment Interest as the Issuer's property for all purposes.

(b) Except for passive investments held for employee benefit purposes, the IESO shall not at any time become a holder of Issuer Funding Obligations.

(c) The IESO shall disclose the effects of all transactions between the IESO and the Issuer in accordance with generally accepted accounting principles (for government entities).

(d) (i) In all Proceedings relating directly or indirectly to the Issuer Investment Interest, the IESO shall affirmatively certify and confirm that it has Transferred all of its rights and interests in and to the Specified Portion of the Regulatory Asset giving rise to the Issuer Investment Interest, (ii) the IESO shall not make any statement or reference in respect of the Issuer Investment Interest that is inconsistent with the ownership interest of the Issuer, and (iii) the IESO shall not take any action in respect of the Issuer Investment Interest except solely in its capacity as the Servicer thereof pursuant to this Agreement.

5.6 Non-petition Covenants

Notwithstanding any prior termination of this Agreement or the Indenture, the IESO shall not, prior to the date that is one year plus one day after termination of the Indenture and the payment in full of all Issuer Funding Obligations and any other amounts owed under the Indenture, petition or otherwise invoke the process of any Governmental Authority for the purpose of commencing or sustaining a Proceeding against the Issuer under any Canadian bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official or any substantial part of the property of the Issuer.

5.7 Disclosure

The IESO shall provide such non-confidential information regarding IESO, the Regulatory Asset and the services provided by the Servicer hereunder (collectively, the "**IESO Disclosure**") as may be reasonably requested by the Issuer for inclusion in any offering document of the Issuer from time to time, including but not limited to offering memoranda, prospectuses, registration statements and continuous disclosure documents and represents that, except in respect information provided by a third party, all such information is, as at the respective dates of delivery to the Issuer, true and correct in all material respects, contains no misrepresentation and constitutes full, true and plain disclosure of all material facts relating to the IESO Disclosure.

5.8 Further Assurances

Upon the request of the Issuer, the IESO shall execute and deliver such further instruments and do such further acts as may reasonably be necessary to carry out the provisions and purposes of this Agreement.

5.9 Access to Certain Records and Information Regarding Investment Interest

The IESO shall provide to the Issuer and the Indenture Trustee access to all records relating to the IESO Deferral, the Fair Hydro Variance Account, the IESO Segregated Account and Servicer CEA Receipts, as is reasonably required for the Issuer and the Indenture Trustee to confirm compliance by the IESO with its obligations under this Agreement. Access shall be afforded without charge, but only upon reasonable request and during normal business hours at the offices of the IESO. Nothing in this Section 5.9 shall affect the obligation of the IESO to comply with any Requirement of Law prohibiting disclosure of information, and the failure of the IESO to provide access to such information as a result of such obligation shall not constitute a breach of this Section 5.9.

5.10 Maintenance of Operations

Subject to Section 3.12, the IESO agrees to continue, unless prevented by circumstances beyond its control, to operate as the electricity system operator in the Province of Ontario so long as it is acting as the Servicer under this Agreement.

ARTICLE 6
IESO INDEMNITIES

6.1 Liability of the IESO; Indemnities

(a) The IESO shall indemnify the Issuer, the Indenture Trustee (for itself and for the benefit of the Specified Creditors), the Manager and each of their respective trustees, officers, directors, employees and agents (each, an "**Indemnified Party**"), for, and defend and hold harmless each such Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "**Indemnified Losses**") imposed on, incurred by or asserted against any such Person as a result of (i) the failure of the IESO to perform its covenants and other obligations under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and (ii) the IESO's breach of any of its representations or warranties under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and, except to the extent of Indemnified Losses resulting from the willful misconduct, bad faith or gross negligence of such Person seeking indemnification hereunder; provided that, in each case, the IESO shall not be required to indemnify an Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any Proceeding or investigation without the written consent of the IESO, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Party of notice of the commencement of any Proceeding or investigation, such Indemnified Party shall, if a claim in respect thereof is to be made against the IESO under this Section 6.1(a), notify the IESO in writing of the commencement thereof. Failure by an Indemnified Party to so notify the IESO shall relieve the IESO from the obligation to indemnify and hold harmless such Indemnified Party under this Section 6.1(a) only to the extent that the IESO

suffers actual prejudice as a result of such failure. With respect to any Proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.1(a), the IESO shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Party, the defence of any such Proceeding or investigation (in which case the IESO shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Party except as set forth below); provided, that the Indemnified Party shall have the right to participate in such Proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the IESO's election to assume the defence of any Proceeding or investigation, the Indemnified Party shall have the right to employ separate counsel, and the IESO shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the defendants in any such action include both the Indemnified Party and the IESO and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it that are different from or additional to those available to the IESO, (ii) the IESO shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, (iii) the IESO authorizes the Indemnified Party to employ separate counsel at the expense of the IESO, or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the IESO shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Parties other than one local counsel, if appropriate. The IESO will not, without the prior written consent of the Indemnified Party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or Proceeding in respect of which indemnification may be sought under this Section 6.1(a) (whether or not the Indemnified Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising out of such claim or Proceeding.

(b) For purposes of Section 6.1(a), in the event of the termination of the rights and obligations of the IESO (or any successor thereto pursuant to Section 3.12) as Servicer pursuant to Section 7.1, or a resignation by such Servicer pursuant to Section 3.11 of this Agreement, the IESO shall be deemed to be the Servicer pending appointment of a Successor Servicer pursuant to Section 7.2.

(c) Indemnification under Section 6.1(a) shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable legal fees and expenses), except as otherwise expressly provided in this Agreement.

(d) Indemnification under this Section 6.1 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Act and shall survive the resignation or removal of the Indenture Trustee or the termination of this Agreement and will rank *pari passu* with other general, unsecured obligations of the IESO.

(e) The IESO shall not be required to indemnify any party under this Section 6.1 for any losses resulting from changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision.

(f) Except to the extent expressly provided in this Agreement (including the payment of the Purchase Price), the IESO hereby releases and discharges the Issuer and each of its trustees, officers, directors and agents (collectively, the "**Released Parties**"), from any and all actions, claims and demands whatsoever, whenever arising, which the IESO, in its capacity as Servicer or otherwise, shall or may have against any such Person relating to the Investment Interest or the IESO's activities with respect thereto, other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

ARTICLE 7
SERVICER DEFAULT

7.1 Servicer Default

If any one or more of the following events (each, a "**Servicer Default**") shall occur and be continuing:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of **[two/three] [NTD: Rating Agencies will expect 2-3 days]** Business Days after written notice of such failure is received by the Servicer from the Issuer or the Indenture Trustee or after discovery of such failure by a Responsible Officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, duly to observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in this Agreement (other than as provided in Section 7.1(a)) or any other Program Agreement to which it is a party, which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or to the Servicer or the IESO, as the case may be, by the Indenture Trustee or (B) such failure is discovered by a Responsible Officer of the Servicer;

(c) any representation or warranty made by the Servicer in this Agreement, any other Program Agreement or in any Monthly Report, shall prove to have been incorrect when made, which has a material adverse effect on the Issuer, the Indenture Trustee or any other Specified Creditor and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer (with a copy to the Indenture

Trustee) by the Issuer or the Indenture Trustee or (ii) such failure is discovered by a Responsible Officer of the Servicer;

(d) an Insolvency Event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs;

then, and in each and every case, the Indenture Trustee shall, upon the instruction of the Specified Creditors as provided for under the Trust Indenture, subject to the terms of any Co-Owner Agreement, by notice then given in writing to the Servicer (and to the Indenture Trustee if given by the Specified Creditors) (a "**Termination Notice**"), terminate all the rights and obligations (other than the obligations set forth in Section 6.1 and the obligation under Section 7.2 to continue performing its functions as Servicer until a Successor Servicer is appointed) of the Servicer under this Agreement and under the Co-Owner Agreement. In addition, upon a Servicer Default described in Section 7.1(a), the Specified Creditors and the Indenture Trustee (or any of their representatives) shall be entitled to apply to a court of appropriate jurisdiction for an order for sequestration and payment of revenues arising with respect to the Issuer. On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Agreement, whether with respect to the Investment Interest, the Clean Energy Adjustments or otherwise, shall, without further action, pass to and be vested in such Successor Servicer as may be appointed under Section 7.2; and, without limitation, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of all documents and records related to the Regulatory Asset, the Fair Hydro Variance Account and related documents or records, or otherwise (the "**Records**"). The predecessor Servicer shall cooperate with the Successor Servicer, the Issuer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the Successor Servicer for administration by it of all Records and all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Investment Interest or the Clean Energy Adjustment. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Records to the Successor Servicer. If a Successor Servicer has been appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable legal fees and expenses) incurred in connection with transferring the Records to the Successor Servicer and amending this Agreement and any Co-Owner Agreement to reflect such succession as Servicer pursuant to this Section 7.1 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. Termination of the IESO as Servicer shall not terminate the IESO's rights or obligations under this Agreement (except rights thereunder deriving from its rights as the Servicer hereunder).

7.2 Appointment of Successor Servicer

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 7.1 or the Servicer's resignation or removal in accordance with the terms of this Agreement, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, until a Successor Servicer shall have assumed in writing the

obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Indenture Trustee may, and at the written direction and with the consent of the Specified Creditors as provided for under the Trust Indenture shall, but subject to the provisions of the applicable Co-Owner Agreement, appoint a Successor Servicer with the Issuer's prior written consent thereto (which consent shall not be unreasonably withheld), and the Successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuer. If, within 30 days after the delivery of the Termination Notice, a Successor Servicer shall not have been appointed, the Indenture Trustee may, at the direction of Specified Creditors as provided for under the Trust Indenture, petition a court of competent jurisdiction to appoint a Successor Servicer under this Agreement. A Person shall qualify as a Successor Servicer only if (i) such Person is permitted under the Act to perform the duties of the Servicer, (ii) the Rating Agency Condition shall have been satisfied with respect to such appointment, (iii) such Person enters into a master transfer and servicing agreement with the Issuer having substantially the same provisions as this Agreement and (iv) such Person agrees to perform the obligations of the Servicer under any Co-Owner Agreement. In no event shall the Indenture Trustee be liable for its appointment of a Successor Servicer. The Indenture Trustee's expenses incurred under this Section 7.2(a) shall be at the sole expense of the Issuer and payable from the Collection Account as provided in **[Section 8.02]** of the Indenture.

(b) Upon appointment, the Successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter placed on the predecessor Servicer and shall be entitled to all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

7.3 Waiver of Past Defaults

The Indenture Trustee, with the written consent of Specified Creditors as provided for under the Trust Indenture, may waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to the Collection Account in accordance with this Agreement. Upon any such waiver of a past default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

7.4 Notice of Servicer Default

The Servicer shall deliver to the Issuer, the Manager, the Indenture Trustee and the Rating Agencies promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice of any event that, with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 7.1.

7.5 Cooperation with Successor Servicer

The Servicer covenants and agrees with the Issuer that it will, on an ongoing basis, cooperate with the Successor Servicer and provide whatever information is, and take whatever actions are, reasonably necessary to assist the Successor Servicer in performing its obligations hereunder.

ARTICLE 8
MISCELLANEOUS

8.1 Amendment

This Agreement may be amended in writing by the IESO, the Issuer and the Indenture Trustee and with satisfaction of the Rating Agency Condition. Promptly after the execution of any such amendment, the Issuer shall furnish copies of such amendment to each of the Rating Agencies.

8.2 Withholding Rights

The parties shall be entitled to deduct and withholding from amounts payable under this Agreement such amounts as each is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

8.3 No Partnership

Each party expressly disclaims any intention to create a partnership, and none of the Issuer, the IESO or the Indenture Trustee will be deemed to be carrying on business in partnership by reason of its execution and delivery of this Agreement or the exercise or performance by it of its respective rights and obligations hereunder.

8.4 Notices

Any notice, report or other communication given hereunder shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (b) upon receipt when sent by an overnight courier, (c) on the date personally delivered to an authorized officer of the party to which sent, or (d) on the date transmitted by electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the IESO, in its capacity as Transferor or Servicer:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, Ontario M5H 1T1

Attention: Chief Financial Officer, General Counsel and Associate General Counsel
Email: ■

(b) in the case of the Issuer or the Manager (on behalf of the Issuer):

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

(c) in the case of the Indenture Trustee:

■
[Address]

Attention: ■
Email: ■

Each party hereto may, by notice given in accordance herewith to the other party or parties hereto, designate any further or different address to which subsequent notices, reports and other communications shall be sent. Any notice, report or communication required to be given by the IESO hereunder to a Rating Agency shall be given to the address provided by the Issuer from time to time.

8.5 Assignment

Notwithstanding anything to the contrary contained herein, except as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the IESO.

8.6 Limitations on Rights of Third Parties

The provisions of this Agreement are solely for the benefit of the IESO, the Issuer and, to the extent provided herein or in the other Program Agreements, the Indenture Trustee (for its own benefit and for the benefit of the Specified Creditors) and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Issuer Investment Interest or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

8.7 Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.8 Separate Counterparts; Electronic Delivery

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by a party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

8.9 Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party to this Agreement attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

8.10 Grant of Security Interest to Indenture Trustee

The IESO hereby acknowledges and consents to the grant of a Lien by the Issuer to the Indenture Trustee pursuant to the Indenture for the benefit of the Specified Creditors against all right, title and interest of the Issuer in, to and under this Agreement, the Investment Interest and the proceeds thereof and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Specified Creditors.

8.11 Limitation of Liability of Indenture Trustee

It is expressly understood and agreed by the parties hereto that this Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee on behalf of the Specified Creditors, in the exercise of the powers and authority conferred and vested in it. The Indenture Trustee in acting hereunder is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

8.12 Limitation of Liability of the Issuer Trustee

(a) It is expressly understood and agreed by the parties hereto that the Issuer Trustee is acting solely in its capacity as trustee of the Issuer, and not in any other capacity. The Issuer solely shall be responsible for the performance of the Issuer's obligations hereunder and the assets of the Issuer solely shall be subject to levy or execution in satisfaction of such obligations.

(b) The Issuer Trustee will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by the Issuer Trustee to be taken, or the Issuer Trustee's failure to compel in any way any former or acting Issuer Trustee to redress any breach of trust with respect to the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, provided that the foregoing limitation will not apply in respect of action or failure to act arising from or in connection with dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee, in doing anything or permitting anything to be done in respect of the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, is, and will be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 8.12, the Issuer Trustee will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the Issuer Trustee owned in its personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

(c) The holders of the units of the Issuer will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by it to be taken. The holders of the units of the Issuer will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the holders of the units of the Issuer owned in their personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

8.13 Waivers

Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof; provided, however, that no such waiver delivered by the Issuer shall be effective unless the Indenture Trustee has given its prior written consent thereto. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party, with prompt written notice of any such waiver to be provided to the Rating Agencies. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any

way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

[INDENTURE TRUSTEE]
as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT A

FORM OF TRANSFER NOTICE

See attached

TRANSFER NOTICE

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

This Transfer Notice is delivered to you pursuant to Section 2.1 of a master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Master Transfer and Servicing Agreement.

The Transferor hereby gives notice to the Issuer of its offer to transfer to the Issuer on the Closing Date set out below, on a fully serviced basis, the Specified Portion of the Regulatory Asset set out below, all in accordance with the terms and conditions of the Master Transfer and Servicing Agreement. In consideration for (i) the Transferor's Transfer to the Issuer of the Specified Portion of the Regulatory Asset set out below, on a fully serviced basis, the Issuer shall deliver or cause to be delivered to the Transferor on the Closing Date set out below, by wire transfer in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set out below.

Upon receipt by the Transferor of the Purchase Price on the Closing Date, (i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price, and the Regulatory Asset shall be adjusted accordingly; and (ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any adverse claim, and shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest.

Specified portion of Regulatory Asset: $■

Purchase Price: $■

Closing Date: ■

The Transferor hereby represents, warrants and confirms that:

(i) each of the representations and warranties on the part of the Transferor contained in the Master Transfer and Servicing Agreement are true and correct in all respects on the date hereof as if made on the date hereof;

(ii) the Transferor is not in breach of any of its covenants in the Master Transfer and Servicing Agreement; and

(iii) as of the date hereof, each condition precedent that must be satisfied by the Transferor under Section 2.2 of the Master Transfer and Servicing Agreement is capable of being satisfied prior to Closing Date.

The closing shall take place at ■ (Toronto time) on the Closing Date referred to above at the offices of ■, except as may be otherwise mutually agreed. The Purchase Price shall be paid on that date by bank wire transfer to [insert IESO bank account details].

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

The undersigned hereby accepts the foregoing offer.

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT B

FORM OF MONTHLY REPORT

See Attached

MONTHLY REPORT

[NTD: Subject to continuing review by the Dealers and their counsel.]

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and by **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Report have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ■ of the Master Transfer and Servicing Agreement the Servicer hereby certifies in respect of the Billing Period corresponding to the calendar month of ■, ■, as follows:

	Item	**Amount**
(A)	Servicer CEA Receipts:	$■
(B)	Balance of Collection Account:	$■

[NTD: Any additional information considered necessary for OPG/IESO to be included.]

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT C

FORM OF MONTHLY CARRYING COSTS STATEMENT

See Attached

MONTHLY CARRYING COSTS STATEMENT

TO: INDEPENDENT ELECTRICITY SYSTEM OPERATOR
[Address]

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Carrying Costs Statement have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section 3.14 of the Master Transfer and Servicing Agreement, the undersigned hereby certifies that the Monthly Carrying Costs in respect of the calendar month of ■, ■ are as follows:

		Amount
Funding costs:		$■
Derivative payments to be made:		$■
Amounts deposited into accounts other than capital accounts:		$■
Financing entity expenses:		$■
Tax liabilities:		$■
	Subtotal:	**$■**
LESS:		
Amounts withdrawn from accounts other than capital accounts:		
Derivative payments to be received:		
Tax refunds:		**$■**
	Subtotal:	**$■**
Monthly Carrying Costs		**$■**

In accordance with Section 3.14(b) of the Master Transfer and Servicing Agreement, the undersigned hereby directs you to deliver to the Issuer, by wire transfer to the account set forth below, an amount in Canadian dollars equal to the Monthly Carrying Costs set forth above on or before ■, 20■, and this shall be your good and valid authority for so doing.

[NTD: Wire transfer instructions to be provided by OPG.]

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

MASTER TRANSFER AND SERVICING AGREEMENT

between

[FINANCING ENTITY]
as Issuer

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

~~Acknowledged~~ and ~~Accepted by~~

■
as Indenture Trustee

Dated as of ■, 2017

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EXHIBIT

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MASTER TRANSFER AND SERVICING AGREEMENT

THIS AGREEMENT made as of ■, 2017.

BETWEEN:

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario

(the "**Issuer**")

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital amalgamated under the laws of the Province of Ontario

(the "**Transferor**" in its capacity as transferor, the "**Servicer**", in its capacity as servicer, and the "**IESO**" in its capacity as both Transferor and Servicer)

- ~~acknowledged~~ and ~~accepted by~~ -

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee

(the "**Indenture Trustee**")

WHEREAS the Government of Ontario has enacted the *Ontario Fair Hydro Act, 2017* (the "**Act**") for the purpose of, among other things, ensuring that clean energy costs and clean energy benefits (each as defined in the Act) are fairly allocated among present and future Specified Consumers;

AND WHEREAS, under the Act, the IESO is required to establish and maintain the Fair Hydro Variance Account, and has the right under the Act and the Regulations to record certain amounts in the Fair Hydro Variance Account and recover the balance from time to time of the Fair Hydro Variance Account from Specified Consumers (such right, the "**Regulatory Asset**");

AND WHEREAS the IESO may from time to time, in accordance with the Act, Transfer a ~~specified portion~~**Specified Portion** of the Regulatory Asset to the Issuer on a fully-serviced

basis, and pursuant to Section 26(3) of the Act, such a Transfer ~~shall result~~results in (i) a reduction in the balance in the Fair Hydro Variance Account, (ii) the corresponding adjustment of the Regulatory Asset, and (iii) the acquisition by the Issuer of an Investment Interest corresponding to the ~~specified portion~~Specified Portion of the Regulatory Asset;

AND WHEREAS the Issuer may finance the acquisition from the IESO, from time to time, of an Investment Interest through the incurrence of Funding Obligations under the Indenture;

AND WHEREAS the Issuer will grant a security interest over all of the Issuer Investment Interest to and in favour of the Indenture Trustee on behalf of all Specified Creditors;

AND WHEREAS in connection with its ownership of the Issuer Investment Interest and in order to collect the associated Clean Energy Adjustments in accordance with the Act, the Issuer desires to engage the Servicer to carry out the services described herein and the Servicer desires to be so engaged;

AND WHEREAS the Indenture Trustee has been appointed pursuant to the Indenture to act on behalf of all Specified Creditors (as defined in the Indenture) and wishes to acknowledge and accept the rights and obligations granted to it thereby, including, but not limited to, its rights set forth in this Agreement.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**Act**" has the meaning ascribed thereto in the recitals;

~~"**Administrative Agent**" means OPG, in its capacity as administrative agent of the Issuer;~~

~~"**Administrative Services Agreement**" means the administrative services agreement dated ■, 2017 between the Administrative Agent and the Issuer concerning the reimbursement of certain costs incurred by the Administrative Agent in connection with the administration of the Issuer;~~

~~"**Affiliate**" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "**control**" when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the~~

~~ownership of voting securities, by contract or otherwise, and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing;~~

"**Agreement**" means this master transfer and servicing agreement, as amended, supplemented, modified, restated or replaced from time to time, and the expressions "herein", "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and not to any Article, Section, paragraph, subparagraph or clause hereof;

"**Billing Period**" means a calendar month in which the Clean Energy Adjustment is billed to Specified Consumers;

"**Board**" means the Ontario Energy Board, a statutory corporation without share capital continued under the *Ontario Energy Board Act, 1998*, S.O., 1998;

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are~~, or the office of the Indenture Trustee is,~~ authorized or obligated by law, regulation or executive order to be closed;

"Carrying Costs" has the meaning ascribed to the term "carrying costs" in the Regulations;

"**CEA Consumer Invoice Amounts**" means amounts invoiced by an Electricity Vendor to Specified Consumers in respect of the Clean Energy Adjustment based on the rates established by the Board;

"**Clean Energy Adjustment**" has the meaning ascribed to the term "clean energy adjustment" in the Act;

"**Closing Date**" means the date on which a Transfer is completed as specified in the applicable Transfer Notice;

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the ~~Issuer~~**parties hereto** and any other owner or owners of an Investment Interest as contemplated by ~~subsection~~**Section** 29(5) of the Act **in form and substance satisfactory to the parties hereto, acting reasonably**;

"**Co-Owner Implementation Date**" means the date, if any, upon which the Issuer Investment Interest ceases to be the only Investment Interest outstanding representing the full Investment Asset;

"**Collection Account**" has the meaning ascribed thereto in Section **[8.02(a)]**[1] of the Indenture;

~~"**Corporate Trust Office**" means the office of the Indenture Trustee at which, at any particular time, its corporate trust business shall be administered, which office as of the date hereof is located at ■; Telephone: ■; Email: ■, or at such other address as the Indenture Trustee may designate from time to time by notice to the Specified Creditors and the Issuer, or the principal corporate trust office of any successor trustee designated by like notice;~~

[1] All cross-references to the Indenture to be conformed to the final version of the Indenture.

"**Daily Remittance Event**" means ~~■ [NTD: Definition to be tied to the loss of investment grade ratings of the IESO]~~the occurrence of either: (i) a Servicer Default or (ii) the IESO (or any successor thereto) ceasing to have the Required Servicer Rating;

"**Declaration of Trust**" means the declaration of trust made as of ■, 2017 under which the Issuer was established, as may be supplemented, amended, replaced or amended and restated from time to time;

~~"**Electricity Act**" means the *Electricity Act, 1998*, SO, 1998;~~

"**Electricity Vendor**" has the meaning ascribed to the term "electricity vendor" in the Act;

"**Electricity Vendor CEA Collections**" means payments actually received by Electricity Vendors from Specified Consumers in respect of Clean Energy Adjustments;

"**Electricity Vendor Billing Period Report" means a report as contemplated by Section 17(s) of the Act from each Electricity Vendor in respect of each Billing Period where Clean Energy Adjustments are billed to Specified Consumers containing:**

(a) **its total CEA Consumer Invoice Amounts in such Billing Period;**

(b) **its total Electricity Vendor CEA Collections during such Billing Period; and**

(c) **such other information as may be agreed to.**

"Eligible Deposit Account" means an account in Canada with an Eligible Institution;

"**Eligible Institution**" means:

(a) at any time before the Co-Owner Implementation Date, an "Eligible Institution" as defined in the Indenture; and

(b) at any time on or after the Co-Owner Implementation Date, an "Eligible Institution" as defined in the applicable Co-Owner Agreement;

"**Fair Hydro Variance Account**" means the variance account established by the IESO pursuant to ~~subsection~~**Section** 24(1) of the Act;

~~"**Finance Reserve Deposit**" has the meaning ascribed to the term "finance reserve deposit" in the Regulations;~~

"**Financing Entity**" has the meaning ascribed to the term "financing entity" in the Act;

~~"**Financing Entity Expenses**" has the meaning ascribed to the term "financing entity expense" in the Regulations;~~

~~"**Funding Cost**" has the meaning ascribed to the term "funding cost" in the Regulations;~~

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act;

~~["**Funding Rebate**" has the meaning ascribed thereto in Section 3.4(b);]~~**[NTD: Terminology and provisions relating to IESO payment of carrying costs during the moratorium period subject to finalization of regulations creating this obligation.]**

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

"**IESO**" or "**Independent Electricity System Operator**" means the Independent Electricity System Operator, a statutory corporation without share capital established by the *Electricity Act*, *1998*, SO, 1998;

[NTD: The Issuer may at some point have to publicly file this Agreement, and a copy of it will be circulated to the rating agencies. Therefore, it seems prudent not to include IESO bank account details in the Agreement.]

"**IESO Deferral**"~~, at any time, means the amount determined by the IESO under subsection 23(1) of the Act and sections 15 and 16 of the Regulations and recorded by the IESO under subsection 24(1) of the Act in the Fair Hydro Variance Account at such time~~ **has the meaning ascribed to the term "IESO deferral" in the Act**;

"**IESO Disclosure**" has the meaning ascribed thereto in Section 5.7;

"**IESO Segregated Account**" **has the meaning ascribed thereto in Section** means the account established under Section ~~3.3~~**3.4**(a);

"**Indemnified Losses**" has the meaning ascribed thereto in Section 6.1(a);

"**Indemnified Party**" has the meaning ascribed thereto in Section 6.1(a);

"**Indenture**" means the master trust indenture dated ■, 2017 between the Indenture Trustee and the Issuer;

"**Indenture Trustee**" means ■, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee for the benefit of Specified Creditors, or any successor thereto, under the Indenture;

"**Insolvency Event**" means, with respect to a specified Person, the specified Person admits the inability of such specified Person to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of such specified Person or otherwise acknowledges the insolvency of such specified Person or any proceeding shall be instituted by or against such specified Person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization,

moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, trustee or other similar official for such specified Person or for any substantial part of its property and if such proceeding has been instituted against such specified Person either such proceeding has not been stayed or dismissed within **[45]** days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part, or if a receiver is privately appointed in respect of such specified Person or of the property of such specified Person or any substantial part thereof;

"**Investment Asset**" has the meaning ascribed to the term "investment asset" in the Act;

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act;

"**Issuer**" means ■, a trust formed under the laws of the Province of Ontario;

"**Issuer Funding Obligations**" means the Funding Obligations of the Issuer;

"**Issuer Investment Interest**" means, initially, the Investment Interest acquired by the Issuer pursuant to the first Transfer completed under this Agreement and, upon the completion of each Transfer thereafter, the cumulative Investment Interest acquired by the Issuer;

"**Issuer Share**" means:

(a) at any time before the Co-Owner Implementation Date, 100%; and

(b) at any time on or after the Co-Owner Implementation Date, the percentage determined in accordance with the applicable Co-Owner Agreement;

"**Issuer Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Issuer at such time;

"**Lien**" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind;

"**Management Agreement**" means the management agreement dated ■, 2017 between the Manager and the Issuer;

"**Manager**" means OPG, in its capacity as manager of the Issuer, and any successor appointed in accordance with the Management Agreement;

"**Minister**" means the Minister of Energy or such other member of the Executive Council as may be assigned the administration of the Act under the *Executive Council Act*;

"**Monthly ~~Funding Expenses~~Carrying Costs**" has the meaning ascribed thereto in Section ~~3.4~~3.14(~~a~~b);

"**Monthly ~~Funding Rebate~~Carrying Costs Statement**" has the meaning ascribed thereto in Section ~~3.4~~3.14(~~a~~b);

~~25847049.5~~**24817972.2**

"**Monthly Report**" has the meaning ascribed thereto in Section ~~3.3~~**3.5**(~~e~~**a**);

"**Officer's Certificate**" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section **[10.01]** of the Indenture, and delivered to the Indenture Trustee;

"**OPG**" means Ontario Power Generation Inc., a corporation established under the laws of the Province of Ontario;

"**Opinion of Counsel**" means one or more written opinions of counsel, ~~who may, except as otherwise expressly provided in the Program Agreements, be employees of or counsel to the party providing such opinion of counsel,~~ which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party;

~~"**Outstanding Amount**" means the aggregate principal amount of all Funding Obligations outstanding at the date of determination;~~

"**Permitted Successor**" means any successor to the IESO under the Act, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, conversion, acquisition, sale or transfer, by operation of law, as a result of any restructuring, or otherwise, but only to the extent such successor is approved by the Minister;

"Permitted Transfer" means (i) a Transfer to the Issuer pursuant to this Agreement; and (ii) a Transfer to a person who has entered into a Co-Owner Agreement with, inter alia, the Issuer.

"**Person**" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority;

"**Proceeding**" means any suit in equity, action at law or other judicial or administrative proceeding;

"**Program Agreements**" ~~means the Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Administrative Services Agreement, this Agreement, each Transfer Notice, any Co-Owner Agreements, the Provincial Protection and Assurances Agreement and any hedging agreements, credit enhancement agreements, loan agreements and underwriting or agency agreements in effect at such time and all other documents and certificates delivered in connection therewith;~~**has the meaning ascribed thereto in the Indenture;**

~~"**Provincial Protection and Assurances Agreement**" means the Provincial Protection and Assurances Agreement dated as of ■, 2017 between **[Her Majesty the Queen in Right of Ontario, as represented by the Minister, the Indenture Trustee and the Issuer]**[NTD: **Subject to finalization of agreement**];~~

"**Purchase Price**" has the meaning ascribed thereto in Section 2.1(a);

"**Rating Agency**" has the meaning ascribed thereto in the Indenture;

"**Rating Agency Condition**" has the meaning ascribed thereto in the Indenture;

"**Records**" has the meaning ascribed thereto in Section 7.1;

~~"**Reference Period**" has the meaning ascribed to the term "reference period" in the Act;~~

"**Regulations**" means Ontario Regulation 206/17: General, together with any other regulations promulgated under the Act;

"**Regulatory Asset**" has the meaning ascribed thereto in the recitals;

"**Released Parties**" has the meaning ascribed thereto in Section 6.1(~~e~~**f**);

"**Remittance Date**" means, in respect of each Billing Period, the **[3rd]**[2] ~~Servicer~~ Business Day following the last day of each Billing Period;

"Required Servicer Rating" means ■; [NTD: Definition to tie to loss of investment grade credit rating.]

"**Requirement of Law**" means any foreign, Canadian federal, provincial or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law;

"**Responsible Officer**" means, with respect to: (a) the Issuer, any authorized director or officer of the Manager; (b) the Servicer, any authorized director or officer of the IESO; (c) a Successor Servicer, any authorized director or officer of the Successor Servicer; and (d) the Indenture Trustee, any officer ~~within the Corporate Trust Office~~ of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject);

"**Servicer**" means the Independent Electricity System Operator, as Servicer under this Agreement, or any Successor Servicer to the extent permitted under this Agreement;

~~"**Servicer Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obligated by law, regulation or executive order to be closed, on which the Servicer maintains normal office hours and conducts business;~~

"**Servicer CEA ~~Collections~~Receipts**" has the meaning ascribed thereto in Section ~~3.2(a)(ii~~**3.4(e**);

[2] ~~Based on the monthly payment cycle charts prepared by OPG.~~

"**Servicer Default**" has the meaning ascribed thereto in Section 7.1;

"**Specified Consumer**" has the meaning ascribed to the term "specified consumer" in the Act;

"**Specified Creditors**" has the meaning ascribed thereto in the Indenture;

"**Specified Portion**" means, in respect of the Regulatory Asset and any Transfer, the portion of the Regulatory Asset subject to such Transfer, as set out in the applicable Transfer Notice.

"**Successor Servicer**" has the meaning ascribed thereto in Section **[3.07(e)]** of the Indenture;

"**Supplemental Indenture**" means an indenture supplemental to the Indenture that authorizes the incurrence of Funding Obligations;

~~"**Tax Liability**" has the meaning ascribed to the term "tax liability" in the Regulations;~~

~~"**Tax Refund**" has the meaning ascribed to the term "tax refund" in the Regulations;~~

"**Termination Event**" has the meaning ascribed thereto in Section ~~3.11~~■;

"**Termination Notice**" has the meaning ascribed thereto in Section 7.1;

"**Transfer**" has the meaning ascribed to the term "transfer" in the Act, and "**Transferred**" has a corresponding meaning;

"**Transfer Notice**" means a Transfer Notice in respect of a Transfer substantially in the form of Exhibit A to this Agreement and delivered pursuant to Section 2.1(a) of this Agreement; and

"**Transferor**" means the Independent Electricity System Operator, as transferor under this Agreement;

1.2 Sections and Headings[~~3~~2]

The table of contents does not form part of this Agreement. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

(a) Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. A reference to any agreement, instrument or declaration

[~~3~~2] Torys to conform boilerplate provisions, as applicable, across all transaction documents.

means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or replaced from time to time.

(b) The term "**including**" means "including without limitation", and other forms of the verb "**include**" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated, in the computation of a period of time from a specified date to a later specified date, the word "**from**" means "**from and including**" and each of the words "**to**" and "**until**" means "**to but excluding**".

(e) The words "**hereof**", "**herein**" and "**hereunder**" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, unless otherwise specified. References to Articles, Sections, Appendices and Exhibits in this Agreement are references to Articles, Sections, Appendices and Exhibits in or to this Agreement unless otherwise specified.

(f) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor.

(g) The word "**will**" shall be construed to have the same meaning and effect as the word "**shall**". The word "**or**" is not exclusive.

ARTICLE 2
TRANSFER OF SPECIFIED PORTIONS OF THE REGULATORY ASSET

2.1 Transfer Notices and Agreement to Transfer a Specified Portion of the Regulatory Asset

(a) The Transferor may, no more frequently than monthly and no later than the 8th Business Day of ~~each~~**any** calendar month, ~~provide~~**offer** to **Transfer to** the Issuer a **Specified Portion of the Regulatory Asset by providing to the Issuer a** Transfer Notice executed by the Transferor and setting out (i) the ~~specified~~

~~portion~~**Specified Portion** of the Regulatory Asset that the Transferor ~~desires~~**is offering** to Transfer to the Issuer, (ii) the consideration to be paid to the Transferor by the Issuer for the Transfer (the "**Purchase Price**") which shall be equal to the amount of ~~the specified portion~~**such Specified Portion** of the Regulatory Asset ~~that the Transferor proposes to Transfer to the Issuer~~, (iii) the Closing Date to effect such transfer which shall be **no earlier than** the ~~10~~**[5th]** Business Day ~~following~~**after the** delivery of the **Transfer Notice and no later than the last Business Day of the calendar month in which the** Transfer Notice **was delivered**, or such other ~~date~~**Business Day** as may be agreed ~~upon~~ by the Transferor and the Issuer, and (iv) such other information as required in the form of Transfer Notice attached as Exhibit A hereto.

~~(b)~~ ~~**[The Issuer shall use commercially reasonable efforts to provide reasonable notice to the Transferor if the Issuer has reasonable cause to believe that it will not accept a Transfer Notice sent by the Transferor or that the conditions precedent in Sections 2.2(b)(i), (v), (vi), (vii), (viii) and (vii) will not be satisfied on the relevant Closing Date.][NTD: Subject to review by OPG.]**~~

(b) ~~(c)~~ On or before the 2nd Business Day following receipt of a Transfer Notice, the Issuer shall have the right, but not the obligation, to accept the Transferor's offer to Transfer the ~~portion~~**Specified Portion** of the Regulatory Asset subject to the Transfer Notice by executing and returning such Transfer Notice to the Transferor. Upon acceptance by the Issuer of the Transfer Notice, there shall be a binding agreement for IESO to Transfer the ~~specified portion~~**Specified Portion** of the Regulatory Asset and for the Issuer to pay the Purchase Price, subject to satisfaction of all conditions precedent in Section 2.2.

~~(d) In consideration and as an inducement for the Issuer to acquire the Investment Interest at the Purchase Price, the Transferor shall, concurrently with each such Transfer and in accordance with Section 3.4, agree to pay to the Issuer all Monthly Funding Expenses that are incurred by or on behalf of the Issuer in connection with each applicable Transfer in respect of each calendar month in which there are no Clean Energy Adjustments billed to Specified Consumers.~~

(c) ~~(e)~~ Provided that all conditions precedent set out in Section 2.2 have been satisfied on or prior to the applicable Closing Date, on the applicable Closing Date, the Issuer shall deliver or cause to be delivered to the Transferor, by **bank** wire transfer **or bank electronic funds transfer,** in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set forth in the applicable Transfer Notice. **The Transferor agrees that receipt by the Transferor of the payment referred to in this Section 2.1(c) is receipt by the Transferor of a payment referred to in Section 26(3) of the Act.**

(d) ~~(f) Upon receipt by the Transferor of the payment referred to in Section 2.1(e):~~ **Upon receipt by the Transferor of the payment referred to in Section 2.1(c),** the Transferor shall reduce the balance of the Fair Hydro Variance Account by an

amount equal to the Purchase Price **received and shall retain no further right, title or interest in the corresponding Issuer Investment Interest.**

~~(i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price and, as a consequence, the Regulatory Asset shall be adjusted accordingly; and~~

~~(ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any adverse claim, and in accordance with section 27(1) of the Act, shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Issuer.~~

~~(g) Any Transfer of a specified portion of the Regulatory Asset by the Transferor pursuant to this Agreement shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Issuer, shall be treated as a true sale and not as a pledge of or secured transaction relating to the Transferor's right, title, and interest in, to, and under the specified portion of the Regulatory Asset. After giving effect to a Transfer contemplated hereby, the Transferor shall have no right, title or interest in, to or under the corresponding Investment Interest because (i) it has Transferred all of its right, title and interest in and to the corresponding specified portion of the Regulatory Asset to the Issuer, (ii) as provided in the Act, all right, title and interest to the corresponding Investment Interest shall be vested in the Issuer, (iii) as provided in the Act, such Transfer is perfected, vested, valid and binding as against the Transferor and all other Persons who may have claims of any kind against the Transferor, regardless of whether the Persons who have claims have received notice of the Transfer, and (iv) the property rights and interests acquired by the Issuer shall be free and clear of any Liens arising through the IESO.~~

(e) The parties intend that this Agreement, together with each Transfer Notice accepted by the Issuer, constitute an agreement, for purposes of Section 27(2) of the Act for the Transferor to dispose, upon receipt by the Transferor of the payment referred to in Section 2.1(d), of a Specified Portion of the Regulatory Asset and to assign, convey or sell a corresponding Investment Interest to the Issuer.

2.2 Conditions Precedent to each Transfer of a Specified Portion of the Regulatory Asset

(a) The obligation of the Issuer to pay the Purchase Price related to the initial Transfer of a ~~specified portion~~**Specified Portion** of the Regulatory Asset shall be subject to the satisfaction by the Transferor, or waiver by the Issuer and the Indenture Trustee, of the following ~~condition~~**conditions**:

(i) the Issuer and the Indenture Trustee shall have received from the Transferor the following documents, in form and substance satisfactory to each of the Issuer and the Indenture Trustee:

(A) a certificate of an officer of the IESO, dated the initial Closing Date certifying (1) that attached thereto is a true and complete copy of the by-laws of the IESO, each as in effect on the date of such certificate, (2) that attached thereto is a true and complete copy of a resolution adopted by the IESO's board of directors authorizing the execution, delivery and performance of this Agreement and the ~~Program Agreements to which~~**performance by** the IESO ~~is party~~**of its obligations hereunder**, and that such resolution has not been modified, rescinded or amended and is in full force and effect, and (3) as to the incumbency and true specimen signature of each of the IESO officers **or delegates** executing this Agreement ~~or any of the Program Agreements to which the IESO is party~~**and authorized to give notices and instructions hereunder (which can be changed by notice hereunder)**; and

(B) ~~reports showing the results of searches conducted against the IESO under applicable personal property security registers in the Province of Ontario together with executed copies of all discharges or releases of prior security interests relating to the Regulatory Asset subject to the Transfer; provided that the IESO may establish that any particular registration does not affect the Regulatory Asset by delivering a letter or acknowledgment signed by the applicable secured party.~~the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them**. [NTD: Scope of opinions required to be confirmed by the Dealers and their counsel]**

(b) The obligation of the Issuer to pay the Purchase Price related to each Transfer of a ~~specified portion~~**Specified Portion** of the Regulatory Asset (including the initial Transfer) shall be subject to the satisfaction or waiver by the Issuer and the Indenture Trustee of each of the following conditions:

(i) as of the applicable Closing Date, all Program Agreements shall have been entered into on terms and conditions satisfactory to the Issuer and the Indenture Trustee and shall be in full force and effect as of such Closing Date;

(ii) as of the applicable Closing Date, no Insolvency Event in respect of the Transferor shall have occurred and the Transferor ~~is not insolvent and will not have been made insolvent by such Transfer and the Transferor~~ is not aware of any pending ~~insolvency~~**Insolvency Event** with respect to itself;

(iii) as of the applicable Closing Date, (A) the representations and warranties of the IESO in this Agreement must be true and correct with the same force and effect as if made on that date (except to the extent they relate to an earlier date), (B) no breach of any covenant or agreement of the IESO contained in this Agreement shall have occurred ~~and not been waived~~**be continuing**, and (C) no Servicer Default shall have occurred and ~~not been waived~~**be continuing**;

(iv) on or prior to the applicable Closing Date, the Transferor shall have taken all action required to provide for the Transfer, upon payment of the Purchase Price, of the ~~specified portion~~**Specified Portion** of the Regulatory Asset as set forth in the applicable Transfer Notice on the Closing Date, free and clear of all Liens other than Liens created by the Issuer pursuant to the Program Agreements;

(v) the Transferor shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate confirming the satisfaction of each condition precedent specified in Sections 2.2(b)(i), (ii), (iii) and (iv);

~~(vi) the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them [NTD: Scope of opinions required to be confirmed by the Dealers and their counsel];~~

(vi) ~~(vii)~~ as of the applicable Closing Date, (A) the Issuer shall have sufficient funds available to pay the Purchase Price as set forth in the applicable Transfer Notice, (B) all conditions to any incurrence of Funding Obligations intended to provide such funds set forth in the Indenture (and any applicable Supplemental Indenture) or other instrument shall have been satisfied or waived, (C) the Rating Agency Condition in respect of the issuance of the Funding Obligations funding the payment of the Purchase Price shall have been satisfied, and (D) the Funding Obligation required to fund the payment of the Purchase Price shall have been issued at the same time as, or prior to, the Transfer; and

(vii) ~~(viii)~~ after giving effect to the Transfer, each of the Fair Hydro Variance Account and the Regulatory Asset will have a balance or amount, as applicable, equal to or greater than zero.

ARTICLE 3
ROLE OF THE SERVICER

3.1 Designation of Servicer

Each Transfer of a specified portion of the Regulatory Asset shall be made on the basis that the related Issuer Investment Interest shall be ~~fully~~ serviced by the Servicer **in**

accordance with this Article 3, and the IESO or any Permitted Successor of the IESO that is the Servicer shall not be entitled to receive any further compensation from the Issuer ~~or the Indenture Trustee~~ for its services in connection therewith. The Servicer ~~acknowledges the responsibility of the Servicer for servicing the related Issuer Investment Interest corresponding to the specified portion of the Regulatory Asset Transferred by the Transferor under this Agreement and hereby~~ agrees to perform the duties and obligations of the Servicer pursuant to the terms hereof at no additional cost to the Issuer.

3.2 ~~**Duties of Servicer Generally**~~**Forecast of Electricity Consumption**

~~(a)~~ ~~The Servicer shall:~~

~~(i)~~ ~~issue settlement statements to Electricity Vendors that include amounts in respect of the Clean Energy Adjustment as prescribed by the Act and the Regulations;~~

~~(ii)~~ ~~receive from Electricity Vendors amounts in respect of Electricity Vendor CEA Collections including payments made directly to the IESO as an Electricity Vendor (such amounts received being "**Servicer CEA Collections**");~~

~~(iii)~~ ~~hold and remit Servicer CEA Collections in accordance with Section 3.3;~~

~~(iv)~~ ~~receive information from Electricity Vendors in respect of CEA Consumer Invoice Amounts and Electricity Vendor CEA Collections and such other information as the IESO may reasonably request for the purposes of determining the IESO Deferral or such further information as may be required;~~

~~(v)~~ ~~determine and record the IESO Deferral for each month and make any necessary corrections thereto in accordance with the Act and the Regulations;~~

~~(vi)~~ ~~forecast electricity demand by Specified Consumers for Reference Periods;~~

The IESO shall:

(a) ~~(vii)~~ provide ~~information~~ to the Board ~~in respect of forecast electricity demand or any other information the Board may require from the Servicer to facilitate the Board's determination of the rates at which~~**and the Financial Services Manager the forecasts of electricity consumption by** Specified Consumers ~~are to be invoiced so as to enable full recovery of the Clean Energy Adjustment in respect of any Reference Period;~~ **as contemplated by Section 8(3) of the Regulations; and**

~~(viii)~~ ~~respond to inquiries by Electricity Vendors, the Board or any other Governmental Authority with respect to the Clean Energy Adjustment;~~

~~(ix) investigate and handle delinquencies by Electricity Vendors regarding Servicer CEA Collections (and furnish reports with respect to such delinquencies to the Issuer);~~

~~(x) process and deposit Servicer CEA Collections and make periodic remittances to the Issuer in accordance with Section 3.3;~~

~~(xi) furnish periodic and current reports to the Issuer, the Board, the Indenture Trustee and the Rating Agencies, as may reasonably be required by the Issuer;~~

~~(xii) take all necessary action in connection with Funding Rebates as set forth herein and in the Regulations; and~~

~~(xiii) perform such other duties as may be reasonably required from time to time to be performed by it.~~

(b) ~~Without limiting the generality of Section 3.2(a), in furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with, the duties and responsibilities relating to data acquisition, consumption and settlement statement calculation, settlement, collections, posting, payment processing and remittance with reasonable care and in material compliance with each applicable Requirement of Law, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to similar assets for its own account and, if applicable, for others.~~**provide to the Board and the Financial Services Manager such other information and reports as the Board or the Financial Services Manager may reasonably request in connection with the calculation of the Clean Energy Adjustments and which is reasonably available to the Transferor without incurring material incremental expense.**

~~(c) Notwithstanding anything to the contrary in this Agreement, the duties of the Servicer set forth in this Agreement shall be qualified and limited in their entirety by the Act, the Regulations, all applicable laws and the rules and regulations promulgated thereunder as in effect at the time such duties are to be performed.~~

3.3 ~~Remittances~~ISO Deferral

~~(a)~~ The **IESO shall:**

(a) determine the IESO Deferral as required by Section 23 of the Act and the Regulations; and

(b) maintain the Fair Hydro Variance Account as required by Section 24 of the Act and the Regulations.

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3.4 Clean Energy Adjustments and Electricity Vendors

The Servicer shall:

(a) **prior to receiving** Servicer ~~shall~~**CEA Receipts,** establish an Eligible Deposit Account (the "**IESO Segregated Account**") bearing a designation ~~clearly~~ indicating that the funds deposited therein are held in trust for the benefit of the **Issuer and, after the Co-Owner Implementation Date, for the benefit of any other owner or** owners of **an** Investment ~~Interests~~**Interest**. If at any time the IESO Segregated Account ceases to be an Eligible Deposit Account, the Servicer shall within 30 days establish a new IESO Segregated Account as an Eligible Deposit Account and shall transfer any cash and/or any investments held in the former account to such new account and make all future deposits to such new account~~.~~**;**

(b) **prior to the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, make reasonable efforts to work with each Electricity Vendor to:**

(i) **establish a segregated account into which Electricity Vendor CEA Collections are to be deposited as required by Section 10(2) of the Regulations;**

(ii) **settle a form of Electricity Vendor Billing Period Report to be used by such Electricity Vendor; and**

(iii) **establish procedures for the invoicing by such Electricity Vendor of amounts in respect of the Clean Energy Adjustment, the identification, deposit and segregation of Electricity Vendor CEA Collections, the remittance of Electricity Vendor CEA Collections to the Servicer and reporting to the Servicer; [NTD: Generally, someone will need to take responsibility for educating the Electricity Vendors and we believe the IESO is best positioned to take on this role given its existing relationships and opportunities to interact with the EVs.]**

(c) **request certification from each Electricity Vendor that the segregated account required by Section 10(2) of the Regulations has been established by that Electricity Vendor;**

(d) **as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive Electricity Vendor CEA Collections from Electricity Vendors;**

(e) **as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive any amounts in respect of Clean Energy Adjustments payable directly by Specified Consumers to the Servicer (such amounts, together with the amounts referred to in Section 3.4(d), the "Servicer CEA Receipts");**

(f) ~~(b) The Servicer shall~~ deposit ~~all~~**the** Servicer CEA ~~Collections~~**Receipts** into the IESO Segregated Account promptly following receipt by the Servicer and, in any event, within **[**two ~~Servicer~~ Business Days**]** of receipt by the Servicer and **the Issuer Share of** such Servicer CEA ~~Collections~~**Receipts** shall remain in the IESO Segregated Account until remitted in accordance with Section ~~3.3(d)~~ **3.6;**

(g) respond to inquiries by Electricity Vendors **with respect to the Clean Energy Adjustment and amounts payable in respect thereof;**

(h) **request from each Electricity Vendor an Electricity Vendor Billing Period Report in respect of each Billing Period during which Clean Energy Adjustments are billed to Specified Consumers; such report to be requested to be delivered within ■ Business Days of the end of each Billing Period;**

(i) **review each Electricity Vendor Billing Period Report received by the Servicer for material manifest discrepancies including any discrepancy between the Electricity Vendor CEA Collections reported in respect of the Billing Period and the amount remitted pursuant to Section 3.4(d);**

(j) **make reasonable efforts to contact each Electricity Vendor that:**

(i) **does not deliver an Electricity Vendor Billing Period Report in respect of a Billing Period where Clean Energy Adjustments were payable by Specified Consumers;**

(ii) **does not remit any Electricity Vendor CEA Collections in accordance with Section 3.4(d) or remits Electricity Vendor CEA Collections that do not match the amount thereof reported in its Electricity Vendor Billing Period Report,**

(iii) **delivers an Electricity Vendor Billing Period Report that has any other material manifest discrepancy detected by the Servicer, or**

(iv) **does not certify that it has established the segregated account required by Section 10(2) of the Regulations,**

and attempt to resolve the applicable issue;

(k) **on a periodic basis as requested by the Issuer, review, pursuant to its rights under Section 10(4) of the Regulations, the records maintained by each Electricity Vendor with respect to Clean Energy Adjustments; provided that in the absence of evidence of material non-compliance by an Electricity Vendor with its duties and obligations in respect of Clean Energy Adjustments, the Servicer shall not be required to review the records of a Electricity Vendor more often than ■.**

(l) ~~(c) The IESO agrees and acknowledges that it holds all~~**hold the Issuer Share of** Servicer CEA ~~Collections~~**Receipts** and **the Issuer Share of** any other proceeds in

respect of the Clean Energy Adjustment received by it in trust for the benefit of the Issuer, any other owner of Investment Interests, the Indenture Trustee and the Specified Creditors and that all such amounts will be remitted by the Servicer and remit such amounts in accordance with this Section 3.3 3.6 without any surcharge, fee, offset, charge or other deduction.

3.5 Reporting

The IESO further agrees not to make any claim to reduce its obligation to remit all Servicer CEA Collections received by it in accordance with this Agreement. Servicer shall:

(d) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA Collections received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period. Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA Collections on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account on each Servicer Business Day.

(a) (e) On on or before the **[2nd] Servicer 8th Business Day]** following the end of each Billing Period, the Servicer shall prepare and deliver to the Issuer, the Indenture Trustee and the Rating Agencies a written report substantially in the form of Exhibit B (a "**Monthly Report**"). ;

3.4 [Funding Rebates]

[NTD: Terminology and provisions relating to IESO payment of carrying costs during the moratorium period subject to finalization of regulations creating this obligation.]

(b) report to the Issuer any delinquencies by Electricity Vendors in respect of the CEA amounts collected and the remittance of Electricity Vendor CEA Collections;

(c) (a) On or before the **[4th]** Servicer Business Day following the end of each calendar month in which no Clean Energy Adjustment is billed to Specified Consumers, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of Exhibit C (a "**Monthly Funding Rebate Statement**") setting out the aggregate amount of all (i) Funding Costs, (ii) Finance Reserve Deposits, (iii) Financing Entity Expenses, and (iv) Tax Liabilities (net of Tax Refunds), that were incurred by or on behalf of the Issuer during the previous calendar month ("**Monthly Funding Expenses**"). report to the Issuer any unresolved matters referred to in Section 3.4(j);

(b) On or before the **[10th]** Servicer Business Day following receipt by the IESO of the Monthly Funding Rebate Statement, the IESO shall, as required by the Regulations, deliver or cause to be delivered to the Issuer, by wire transfer in

~~immediately available funds, an amount in Canadian dollars equal to the Monthly Funding Expenses set forth in the applicable Monthly Funding Rebate Statement (the "**Funding Rebate**").~~

~~**3.5 Reporting Functions**~~

(d) ~~(a) Notification of Laws and Regulations. The Servicer shall~~ promptly notify the Issuer in writing of any Requirement of Law hereafter adopted or announced or the occurrence of any other event or circumstance **of which it becomes aware** that has a material adverse effect on the Servicer's ability to perform its duties and obligations under this Agreement~~.~~**; and**

(e) ~~(b) Other Information. Upon~~**upon** the reasonable request of the Issuer, the Indenture Trustee or any Rating Agency, ~~the Servicer shall~~ provide to the Issuer, the Indenture Trustee or such Rating Agency, as the case may be, any public financial information in respect of the Servicer, or any material information regarding the **Issuer** Investment Interest or the Regulatory Asset**,** to the extent it is reasonably available to the Servicer~~,~~ **and** as may be reasonably necessary and permitted by law**,** to enable the Issuer, the Indenture Trustee or the Rating Agencies to monitor the performance by the Servicer of its duties and obligations hereunder. ~~In addition, the Servicer shall provide the Issuer and the Indenture Trustee, within a reasonable time after written request therefor, any information available to the Servicer or reasonably obtainable by it that is necessary to calculate the Clean Energy Adjustment.~~

3.6 Remittances

(a) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA **Receipts** received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period.

(b) Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA **Receipts** on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account **on each Business Day.**

3.7 Limits to Obligations

Without in any way limiting the duties and obligations of the Servicer arising under the Act or the Regulations, the parties hereto agree the duties and obligations of the Servicer under this Agreement are limited as provided in this Section 3.7.

(a) **The Servicer is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from their customers or not remitted by Electricity Vendors to the Servicer.**

(b) **The Servicer is not responsible for enforcing the obligations of Specified Consumers or Electricity Vendors to invoice, collect or remit Clean Energy Adjustments or any other amounts.**

(c) **The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations including (i) the invoicing of** Specified Consumers in respect of the Clean Energy Adjustment and ancillary matters related thereto; (ii) **the collection from Specified Consumers of amounts due** in respect of such invoices and **the remittance of such payments to the Servicer; (iii) the accuracy of any information provided by the Electricity Vendors; and (iv) any reporting by the Electricity Vendors, including the reporting to the Servicer of the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and the Issuer Share of Electricity Vendor CEA Collections received by such Electricity Vendor.**

(d) **The Servicer is under no responsibility or obligation to the Issuer with respect to whether the Clean Energy Adjustments funds remitted by the Servicer to Issuer during any or all periods is sufficient to satisfy the Issuer's obligations.**

(e) **The Servicer is under no obligation to initiate or prosecute any legal action relating to the collection of the Issuer Investment Interest.**

3.8 ~~3.6~~ **Servicing and Maintenance Standards**

(a) The Servicer shall ~~monitor payments and impose collection policies on Electricity Vendors with respect to Electricity Vendor CEA Collections. On behalf of the Issuer, the Servicer shall: (a) manage, service, administer, collect and receive Servicer CEA Collections with reasonable care and in material compliance with each applicable Requirement of Law, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to the collection of other amounts from Electricity Vendors for its own account and, if applicable, for others; (b) follow standards, policies and procedures in performing its duties as Servicer that are customary for an electricity market operator and administrator that regularly performs settlement functions; (c) use all reasonable efforts, consistent with its customary servicing procedures, to receive and hold Servicer CEA Collections in trust for the benefit of the Issuer; (d) comply with each Requirement of Law, including all regulations and guidelines, applicable to and binding on it relating to its duties hereunder; and (e) provide all information to the Board as required by the Act and the Regulations. The Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of all or any portion of the Investment Asset and the Issuer Investment Interest, which may include, at the direction of the Issuer, the taking of legal action, at the Issuer's expense but subject to the priority~~

~~of payments set forth in **[Section 8.02(e)]** of the Indenture. In no event shall the Issuer Investment Interest be set off at any time by the IESO or any Permitted Successor thereof in connection with any default by such Person or otherwise.~~**discharge its duties, responsibilities and obligations hereunder with reasonable care and in material compliance the Requirements of Law, including the Act and the Regulations and shall follow standards, policies and procedures in performing its duties as Servicer hereunder that are customary for an electricity market operator and administrator that regularly performs settlement functions. In** furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with **reasonable care and in material compliance with applicable Requirement of Laws**, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to **similar settlement activities on its own account.**

~~**3.7 Binding Effect of Servicing Obligations**~~

(b) **The** Servicer may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising under this Agreement.

(c) **Neither** the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment**.**

3.9 Appointments

The Servicer may at any time appoint any Person to **act as its agent to perform all or any portion of its obligations as Servicer hereunder; provided** however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided **further that the Servicer shall remain obligated and be liable for the performance of its obligations under this Agreement** without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were **performing such obligations**. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, **and the Issuer shall not** have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section **3.11.**

3.10 Term

The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under **Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off** (in each case, a "**Termination**

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Event"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.

3.11 Resignation of Servicer

The IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and the Rating Agencies at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and the Rating Agencies concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.12 Mergers

~~The obligations to continue to provide services and to receive and account for Servicer CEA Collections and related amounts will be binding upon the Servicer and any Permitted Successor so long as the Servicer CEA Collections have not been fully received and posted.~~ Any Person (a) into which the Servicer may be merged, converted or amalgamated and that is a Permitted Successor, (b) that may result from any merger, conversion or amalgamation to which the Servicer shall be a party and that is a Permitted Successor, (c) that may succeed to the properties and assets of the Servicer substantially as a whole and that is a Permitted Successor, or (d) that otherwise is a Permitted Successor, which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Servicer hereunder, shall be the successor to the Servicer under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 4.1 shall have been breached and no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, (ii) the Servicer shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger or succession and such agreement of assumption complies with this Section ~~3.7~~**3.12** and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (iii) the Servicer shall have given to the Issuer prior written notice of such transaction. When any Person that is a Permitted Successor acquires the properties and assets of the Servicer substantially as a whole or otherwise becomes the successor, by merger, conversion, consolidation, sale, transfer, lease or otherwise, to all or substantially all the assets of the Servicer in accordance with the terms of this Section ~~3.7~~**3.12**, then, upon satisfaction of all of the other conditions of this Section ~~3.7~~**3.12**, the preceding Servicer shall automatically and without further notice be released from all of its obligations hereunder (except for responsibilities for its actions prior to such release).

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~~**3.8 Limitation on Liability of Servicer and Others**~~

~~(a) Except as otherwise provided under this Agreement, including Section 6.1, neither the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment; provided, however, that this provision shall not protect the Servicer or any such Person against any liability that would otherwise be imposed by reason of negligence, recklessness or willful misconduct in the performance of duties or by reason of reckless disregard of obligations and duties under this Agreement. The Servicer and any director, officer, employee or agent of the Servicer may rely in good faith on the advice of counsel or on any document of any kind, *prima facie* properly executed and submitted by any Person, respecting any matters arising under this Agreement.~~

~~(b) Except as provided in this Agreement, the Servicer shall not be under any obligation to appear in, prosecute or defend any legal action relating to the Issuer Investment Interest that is not directly related to one of the Servicer's enumerated duties in this Agreement or related to its obligation to pay indemnification, and that in its reasonable opinion may cause it to incur any expense or liability; provided, however, that the Servicer will, at the direction of the Issuer, in respect of any Proceeding, undertake any action that is not specifically identified in this Agreement as a duty of the Servicer but that the Issuer reasonably determines is necessary or desirable in order to protect the rights and duties of the Issuer or the Indenture Trustee under this Agreement and the interests of Specified Creditors under the Indenture.~~

3.13 ~~3.9~~ The IESO Not to Resign as Servicer

Subject to the provisions of Section ~~3.7~~**3.12**, the IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and each Rating Agency at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and each Rating Agency concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

~~**3.10 Appointments**~~

3.14 IESO Regulatory Obligation to Pay Carrying Costs

(a) ~~Subject to Section 3.10(b), the~~ Servicer ~~may at any time appoint any Person to perform all or any portion of its obligations as Servicer hereunder; provided, however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided, further, that the Servicer shall remain obligated and be liable under this Agreement for the servicing and administering of the Issuer Investment Interest in accordance with the provisions hereof without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Investment Interest. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, and none of the Issuer, the Indenture Trustee, Specified Creditors or any other Person shall have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section 3.9.~~ **During the period beginning on December 1, 2017 and ending on July 31, 2021, the IESO shall, as required under the Regulations, pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs during the period beginning on June 1, 2017 and ending on July 31, 2021.**

(b) ~~The following matters shall be performed by the Electricity Vendors in accordance with the Act and shall not be considered an "appointment" for purposes of Section 3.10(a): (i) invoicing~~ Specified Consumers ~~in respect of the~~ Clean Energy Adjustment and ancillary matters related thereto; ~~(ii) collection from Specified Consumers of payments in respect of such invoices and remittance of such payments to the Servicer; and (iii) reporting to the Servicer the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and such other information the IESO may reasonably request for the purposes of determining the IESO Deferral or such further information as may be required. The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations or in respect of the matters set out in this Section 3.10(b).~~ **On or before the 4th Business Day of each calendar month**, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of **Exhibit C (a "Monthly Carrying Costs Statement") setting out the amount of Carrying Costs in respect of the preceding calendar month ("Monthly Carrying Costs").**

~~**3.11 Effective Period and Termination**~~

(c) **On or before the 8th Business Day following receipt by the IESO of the Monthly Carrying Costs Statement, the IESO shall, as required under** the Regulations, deliver or cause to be delivered to the Issuer, by wire **transfer or electronic funds** transfer in immediately available funds, an amount in Canadian dollars equal to the Monthly **Carrying Costs set forth in the applicable Monthly Carrying Costs Statement.**

3.15 IESO Security for CEA Remittances

~~The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off (in each case, a "**Termination Event**"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.~~**If required by the Issuer, the IESO shall provide to the Issuer, on or prior to the first day of the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, a letter of credit in an amount equal to $■, or such other form of security as may be acceptable to the Issuer and the Indenture Trustee, as security for any failure of Electricity Vendors, following [July 31, 2021], to remit the Electricity Vendor CEA Collections.**

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE IESO

4.1 Representations and Warranties

Subject to Section 4.3, the IESO makes the following representations and warranties as of the date hereof and as of each applicable Closing Date, and the IESO acknowledges that the Issuer and the Indenture Trustee will rely thereon in paying the Purchase Price related to Transfers of ~~specified portions~~**Specified Portions** of the Regulatory Asset, and the Issuer has relied thereon in entering into this Agreement relating to the servicing of the corresponding Investment Interests.

(a) Organization and Good Standing. The IESO is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite **corporate** power and authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it~~, and to execute, deliver and carry out the terms of this Agreement, including, for greater certainty, acting as Servicer in accordance with this Agreement~~.

(b) Due Qualification. The IESO has obtained all necessary licences and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including acting as Servicer under this Agreement) shall require such licences or approvals, except where the failure to so qualify or obtain such licences and approvals would not be reasonably likely to have a material adverse effect on the IESO's business, operations, assets, revenues or properties, the Regulatory Asset~~,~~ **or** the servicing of related Investment Interests~~, the Issuer or the repayment when due of the Funding Obligations~~.

(c) Power and Authority. The IESO has the requisite **corporate** power and authority to execute and deliver this Agreement and to carry out its terms. The IESO has full corporate power and authority to hold the Regulatory Asset and to Transfer ~~specified portions~~**Specified Portions** of the Regulatory Asset to the Issuer and the IESO has duly authorized such Transfer to the Issuer by all necessary **corporate** action. The execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary **corporate** action on the part of the IESO under all applicable laws.

(d) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the IESO, enforceable against the IESO in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof by the IESO do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time, or both) a default under, the IESO's by-laws, or any indenture, or other material agreement or instrument to which the IESO is a party or by which it is bound, result in the creation or imposition of any Lien upon any of the IESO's properties pursuant to the terms of any such indenture, agreement or other instrument or violate any existing law or any order, rule or regulation applicable to the IESO issued by any Governmental Authority having jurisdiction over the IESO or its properties.

(f) No Proceedings. ~~There are no Proceedings or, to~~**To** the IESO's knowledge, ~~investigations~~**there are no Proceedings** pending or ~~Proceedings~~ threatened~~, before any Governmental Authority having jurisdiction over~~ **against** the IESO or its properties: (a) asserting the invalidity of this Agreement or the Act, (b) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Act, or (c) seeking a determination or ruling that could reasonably be expected to materially and adversely affect the performance by the IESO of its obligations under, or the validity or enforceability of, this Agreement or the Act.

(g) Approvals. No approvals, authorizations, consents, orders or other actions or filings with any Governmental Authority are required for the IESO to execute, deliver and perform its obligations under this Agreement except those which have previously been obtained or made.

(h) Information.~~(i)~~ At the date hereof and as of each applicable Closing Date, **except in respect of information provided by a third party,** all written information, as amended or supplemented from time to time, provided by the Transferor to the Issuer with respect to the Regulatory Asset is true and correct in all material respects and does not omit any material facts.

~~(ii) Each report and certificate delivered in connection with any filing made or information provided to the Board by the IESO in connection with the Act, including on behalf of the Issuer with respect to Clean Energy Adjustments, will constitute a representation and warranty by the IESO that each such report or certificate, as the case may be, is true and correct in all material respects; provided, however, that, to the extent any such report or certificate is based in part upon or contains assumptions, forecasts or other predictions of future events, the representation and warranty of the IESO with respect thereto will be limited to the representation and warranty that such assumptions, forecasts or other predictions of future events are reasonable based upon historical performance (and facts known to the IESO on the date such report or certificate is delivered).~~

(i) The Transfer. ~~On~~**After the completion of the Transfer on** the applicable Closing Date, the ~~specified portion of the Regulatory Asset as set forth in the applicable Transfer Notice shall be validly Transferred to the Issuer and the~~ IESO will have no right, title or interest in the ~~related~~ Investment Interest **related to the Specified Portion of the Regulatory Assets** as set forth in the applicable Transfer Notice and the related Investment Interest shall not form part of the estate of the IESO in the event of an Insolvency Event in respect of the IESO.

(j) No Transfer. Except ~~pursuant to any Co-Owner Agreement, no portion of~~**for Permitted Transfers,** the ~~Regulatory Asset~~**IESO** has ~~been~~**not** sold, transferred, assigned~~,~~ **or otherwise conveyed any interest in the Regulatory Asset to any Person.**

(k) Liens. IESO has not pledged or otherwise ~~conveyed by the IESO~~**granted a Lien** to any Person ~~other than the Issuer or the Indenture Trustee, and,~~**in the Regulatory Asset and** to the IESO's knowledge (after due inquiry), ~~no security agreement,~~**there is no registered** financing statement ~~or equivalent security or lien instrument~~ listing the IESO as debtor covering ~~all or a portion of the Regulatory Asset (or the corresponding Investment Interest upon the Transfer thereof) is on file or of record in any jurisdiction, except such as may have been filed or recorded in favour of the Issuer or the Indenture Trustee in connection with the Program Agreements.~~(k) ~~Title. The IESO is the sole owner of the specified portion of the Regulatory Asset that is to be Transferred to the Issuer on~~

~~the applicable Closing Date, free and clear of all Liens~~**or extending to the Regulatory Asset**.

(l) Tax Liens. ~~After due inquiry, the~~**The** IESO **(i)** is not aware**, after due inquiry,** of any judgment or tax lien filing against the IESO**, and (ii) is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada)**.

(m) Solvency. On the date hereof and after giving effect to each Transfer, the IESO:

~~(i) is solvent and expects to remain solvent;~~

(i) ~~(ii)~~ reasonably believes that it will be able to pay its debts as they come due; and

(ii) ~~(iii)~~ is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

(n) No Court Order. There is no order by any court that seeks to enjoin the performance of any obligations of the IESO under the Act or this Agreement.

4.2 Survival

The representations and warranties set forth in Section 4.1 shall survive the execution and delivery of this Agreement, each Transfer of an Investment Interest to the Issuer and the pledge thereof to the Indenture Trustee pursuant to the Indenture and may not be waived by any party hereto except pursuant to a written agreement executed in accordance with Section 8.1 and as to which the Rating Agency Condition has been satisfied.

4.3 Limitations on Representations and Warranties

Notwithstanding anything in this Agreement to the contrary, the IESO makes no representation or warranty **with respect to the collectability of the Issuer Share of Servicer CEA Receipts or** that the Issuer~~'s~~ Share of Servicer CEA ~~Collections will~~**Receipts** be sufficient to satisfy ~~in full~~ the Issuer's Funding Obligations.

ARTICLE 5
COVENANTS OF THE IESO

5.1 Existence

~~Subject to Section 3.9, so~~**So** long as any **Issuer** Funding Obligations are outstanding, the IESO (a) will keep in full force and effect its existence and remain validly

existing under the laws of the Province of Ontario, and (b) will obtain and preserve its qualifications to do business in each jurisdiction in which such qualification is or will be necessary to protect the validity and enforceability of this Agreement and each other instrument or agreement to which the IESO is a party necessary for the proper administration of this Agreement and the transactions contemplated hereby.

5.2 No Transfer or Liens

Except for ~~(a) the~~ Transfers under this Agreement to the Issuer or ~~any Lien for the benefit of the Specified Creditors or the Indenture Trustee, and (b) following the Co-Owner Implementation Date, Transfers to other Financing Entities who enter into a Co-Owner Agreement with the Issuer and Liens granted in connection therewith to Persons advancing Funding Obligations to such other Financing Entities, the IESO will not sell, pledge, assign or transfer to any other Person, or~~ **Permitted Transfers, the IESO will not Transfer the Regulatory Asset or any portion thereof to any person. The IESO will not** grant, create, incur, assume or suffer to exist any Lien on~~, any portion of~~ the Regulatory Asset~~, whether existing as of the applicable Closing Date or thereafter created, or any interest therein~~ **or any portion thereof**. The IESO will not at any time assert any Lien against or with respect to the Issuer Investment Interest, and will defend the right, title and interest of the Issuer and of the Indenture Trustee, on behalf of the Specified Creditors, in, to and under the Issuer Investment Interest against all claims of third parties claiming through or under the Transferor.

5.3 Notice of Liens

The IESO shall notify the Issuer and the Indenture Trustee promptly after becoming aware of any Lien on any portion of the Regulatory Asset~~, other than the Transfers hereunder and any Lien pursuant to the Program Agreements~~.

5.4 Compliance with Law

The IESO will comply with all Requirements of Law applicable to, and binding upon, the IESO or relating to the Regulatory Asset~~,~~ the Investment Asset or Investment Interests, except to the extent that failure to so comply would not materially adversely affect the Issuer's~~,~~ **or** the Indenture Trustee's ~~or the Specified Creditors'~~ interests in the Issuer Investment Interest~~ under any of the Program Agreements~~, the value of the Issuer Investment Interest, the timing or amount of Clean Energy Adjustments payable by Specified Consumers or the IESO's performance of its obligations under this Agreement; provided, however, that the foregoing is not intended to, and shall not, impose any liability on the IESO for non-compliance with any Requirement of Law that the IESO is contesting in good faith in accordance with its customary standards and procedures.

5.5 Covenants Related to the Investment Interest

(a) So long as any Issuer Funding Obligations are outstanding, the IESO shall treat the Issuer Investment Interest as the Issuer's property for all purposes.

(b) Except for passive investments held for employee benefit purposes, the IESO shall not at any time become a holder of Issuer Funding Obligations ~~other than Funding Rebates~~.

(c) The IESO shall disclose the effects of all transactions between the IESO and the Issuer in accordance with generally accepted accounting principles (for government entities).

~~(d) The IESO agrees that upon completion of a Transfer, the IESO shall reduce the balance in the Fair Hydro Variance Account by the Purchase Price and will adjust the Regulatory Asset accordingly.~~

(d) ~~(e)~~ (i) ~~in~~**In** all Proceedings relating directly or indirectly to the Issuer Investment Interest, the IESO shall affirmatively certify and confirm that it has Transferred all of its rights and interests in and to the ~~specified portion~~**Specified Portion** of the Regulatory Asset giving rise to the Issuer Investment Interest, (ii) the IESO shall not make any statement or reference in respect of the Issuer Investment Interest that is inconsistent with the ownership interest of the Issuer, **and** (iii) the IESO shall not take any action in respect of the Issuer Investment Interest except solely in its capacity as the Servicer thereof pursuant to this Agreement~~, and (iv) the IESO shall not sell any portion of the Regulatory Asset pursuant to the Act to any other Person unless a Co-Owner Agreement has been entered into and the Rating Agency Condition has been satisfied with respect thereto~~.

5.6 Non-petition Covenants

Notwithstanding any prior termination of this Agreement or the Indenture, the IESO shall not, prior to the date that is one year plus one day after termination of the Indenture and the payment in full of all Issuer Funding Obligations and any other amounts owed under the Indenture, petition or otherwise invoke the process of any Governmental Authority for the purpose of commencing or sustaining a Proceeding against the Issuer under any Canadian bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official or any substantial part of the property of the Issuer.

5.7 Disclosure

The IESO shall provide ~~all~~**such non-confidential** information regarding ~~the~~ IESO, the ~~IESO Deferral, the~~ Regulatory Asset ~~or~~**and** the services provided by the Servicer hereunder (collectively, the "**IESO Disclosure**") as may be reasonably requested by the Issuer for

inclusion in any offering document of the Issuer from time to time, including but not limited to offering memoranda, prospectuses, registration statements and continuous disclosure documents and represents that**, except in respect information provided by a third party,** all such information is, **as** at the respective dates of delivery to the Issuer, true and correct in all material respects, contains no misrepresentation and constitutes full, true and plain disclosure of all material facts relating to the IESO Disclosure.

5.8 Further Assurances

Upon the request of the Issuer, the IESO shall execute and deliver such further instruments and do such further acts as may reasonably be necessary to carry out the provisions and purposes of this Agreement.

~~5.9 Co-Owner Agreements~~

~~The IESO shall not continue as or become a party to any purchase and sale agreement or similar arrangement (other than this Agreement) under which it sells all or any portion of the Regulatory Asset unless (i) the Rating Agency Condition shall have been satisfied, (ii) the Indenture Trustee, the Transferor and the other parties to such additional arrangement shall have entered into a Co-Owner Agreement in connection therewith, and (iii) the terms of the documentation evidencing such purchase and sale arrangement or similar arrangement shall expressly exclude the Issuer Investment Interest (including the Issuer Share of any Servicer CEA Collections) from any receivables, rights or other assets pledged or sold under such arrangement and unless the purchaser under such arrangement is a Financing Entity.~~

5.9 ~~5.10~~ Access to Certain Records and Information Regarding Investment Interest

The IESO shall provide to the Issuer and the Indenture Trustee access to all records relating to the IESO Deferral, the Fair Hydro Variance Account, the IESO Segregated Account and Servicer CEA ~~Collections~~**Receipts**, as is reasonably required for the Issuer and the Indenture Trustee to confirm compliance by the IESO with its obligations under this Agreement~~ and any other Program Agreements to which the IESO is a party~~. Access shall be afforded without charge, but only upon reasonable request and during normal business hours at the offices of the IESO. Nothing in this Section ~~5.10~~**5.9** shall affect the obligation of the IESO to comply with any Requirement of Law prohibiting disclosure of information, and the failure of the IESO to provide access to such information as a result of such obligation shall not constitute a breach of this Section ~~5.10~~**5.9**.

5.10 ~~5.11~~ Maintenance of Operations

Subject to Section ~~3.7~~**3.12**, the IESO agrees to continue, unless prevented by circumstances beyond its control, to operate as the electricity system operator in the Province of Ontario ~~in order to provide service~~ so long as it is acting as the Servicer under this Agreement.

ARTICLE 6
IESO INDEMNITIES

6.1 Liability of the IESO; Indemnities

(a) The IESO shall indemnify the Issuer, the Indenture Trustee (for itself and for the benefit of the Specified Creditors), the Manager~~, the Administrative Agent~~ and each of their respective trustees, officers, directors, employees and agents (each, an "**Indemnified Party**"), for, and defend and hold harmless each such Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "**Indemnified Losses**") imposed on, incurred by or asserted against any such Person as a result of (i) the failure of the IESO to perform its covenants and other obligations under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; **and** (ii) the IESO's breach of any of its representations or warranties under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and ~~(iii) any litigation and related expenses relating to the IESO's status and obligations as Servicer (other than any Proceeding the IESO is required to institute under this Agreement)~~, except to the extent of Indemnified Losses resulting from the willful misconduct, bad faith or gross negligence of such Person seeking indemnification hereunder; provided that, in each case, the IESO shall not be required to indemnify an Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any Proceeding or investigation without the written consent of the IESO, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Party of notice ~~(or, in the case of the Indenture Trustee, receipt of notice by a Responsible Officer only)~~ of the commencement of any Proceeding or investigation, such Indemnified Party shall, if a claim in respect thereof is to be made against the IESO under this Section 6.1(a), notify the IESO in writing of the commencement thereof. Failure by an Indemnified Party to so notify the IESO shall relieve the IESO from the obligation to indemnify and hold harmless such Indemnified Party under this Section 6.1(a) only to the extent that the IESO suffers actual prejudice as a result of such failure. With respect to any Proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.1(a), the IESO shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Party, the defence of any such Proceeding or investigation (in which case the IESO shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Party except as set forth below); provided, that the Indemnified Party shall have the right to participate in such Proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the IESO's election to assume the defence of any Proceeding or investigation, the Indemnified Party

shall have the right to employ separate counsel, and the IESO shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the defendants in any such action include both the Indemnified Party and the IESO and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it that are different from or additional to those available to the IESO, (ii) the IESO shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, (iii) the IESO ~~shall authorize~~**authorizes** the Indemnified Party to employ separate counsel at the expense of the IESO, or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the IESO shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Parties other than one local counsel, if appropriate. The IESO will not, without the prior written consent of the Indemnified Party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or Proceeding in respect of which indemnification may be sought under this Section 6.1(a) (whether or not the Indemnified Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising out of such claim or Proceeding.

(b) For purposes of Section 6.1(a), in the event of the termination of the rights and obligations of the IESO (or any successor thereto pursuant to Section ~~3.7~~**3.12**) as Servicer pursuant to Section 7.1, or a resignation by such Servicer pursuant to **Section 3.11 of** this Agreement, the IESO shall be deemed to be the Servicer pending appointment of a Successor Servicer pursuant to Section 7.2.

(c) Indemnification under Section 6.1(a) shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable legal fees and expenses), except as otherwise expressly provided in this Agreement.

(d) Indemnification under this Section 6.1 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Act and shall survive the resignation or removal of the Indenture Trustee or the termination of this Agreement and will rank *pari passu* with other general, unsecured obligations of the IESO. ~~Other than provided in the preceding sentence, the~~

(e) **The** IESO shall not **be required to** indemnify any party under this Section 6.1 for any **losses resulting from** changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision.

~~25847049.5~~

(f) ~~(e)~~ Except to the extent expressly provided in this Agreement (including the payment of the Purchase Price), the IESO hereby releases and discharges the Issuer ~~and the Indenture Trustee,~~ and each of ~~their respective~~**its** trustees, officers, directors and agents (collectively, the "**Released Parties**"), from any and all actions, claims and demands whatsoever, whenever arising, which the IESO, in its capacity as Servicer or otherwise, shall or may have against any such Person relating to the Investment Interest or the IESO's activities with respect thereto, other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

ARTICLE 7
SERVICER DEFAULT

7.1 Servicer Default

If any one or more of the following events (each, a "**Servicer Default**") shall occur and be continuing:

(a) any failure by the Servicer to remit to the Collection Account ~~on behalf of the Issuer~~ any required remittance that shall continue unremedied for a period of **[two/three] [NTD: Rating Agencies will expect 2-3 days]** Business Days after written notice of such failure is received by the Servicer from the Issuer ~~(with a copy to the Indenture Trustee)~~ or the Indenture Trustee or after discovery of such failure by a Responsible Officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, duly to observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in this Agreement (other than as provided in Section 7.1(a)) or any other Program Agreement to which it is a party, which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer ~~(with a copy to the Indenture Trustee)~~ or to the Servicer or the IESO, as the case may be, by the Indenture Trustee or (B) such failure is discovered by a Responsible Officer of the Servicer;

(c) any representation or warranty made by the Servicer in this Agreement, any other Program Agreement or in any Monthly Report, shall prove to have been incorrect when made, which has a material adverse effect on the Issuer, the Indenture Trustee or any other Specified Creditor and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the

same to be remedied, shall have been delivered to the Servicer (with a copy to the Indenture Trustee) by the Issuer or the Indenture Trustee or (ii) such failure is discovered by a Responsible Officer of the Servicer;

(d) an Insolvency Event occurs with respect to the Servicer or the IESO; **or**

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs; ~~or~~

~~(f) the termination or withdrawal of the "Servicing Guarantee" under the Provincial Protection and Assurances Agreement. **[NTD: Subject to finalization of the Provincial Protection and Assurances Agreement.]**~~

then, and in each and every case, the Indenture Trustee shall, upon the instruction of the Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, subject to the terms of any Co-Owner Agreement, by notice then given in writing to the Servicer (and to the Indenture Trustee if given by the Specified Creditors) (a "**Termination Notice**"), terminate all the rights and obligations (other than the obligations set forth in Section 6.1 and the obligation under Section 7.2 to continue performing its functions as Servicer until a Successor Servicer is appointed) of the Servicer under this Agreement and under the Co-Owner Agreement. In addition, upon a Servicer Default described in Section 7.1(a), the Specified Creditors and the Indenture Trustee (or any of their representatives) shall be entitled to apply to a court of appropriate jurisdiction for an order for sequestration and payment of revenues arising with respect to the ~~Investment Interest.~~**Issuer.** On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Agreement, whether with respect to the Investment Interest, the Clean Energy Adjustments or otherwise, shall, without further action, pass to and be vested in such Successor Servicer as may be appointed under Section 7.2; and, without limitation, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of all documents and records related to the Regulatory Asset, ~~the IESO Deferral,~~ the Fair Hydro Variance Account and related documents or records, or otherwise (the "**Records**"). The predecessor Servicer shall cooperate with the Successor Servicer, the Issuer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the Successor Servicer for administration by it of all Records and all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Investment Interest or the Clean Energy Adjustment. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Records to the Successor Servicer. If a Successor Servicer has been appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable legal fees and expenses) incurred in connection with transferring the Records to the Successor Servicer and amending this Agreement and any Co-Owner Agreement to reflect such succession as Servicer pursuant to this Section 7.1 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. Termination of the IESO as Servicer shall

not terminate the IESO's rights or obligations under this Agreement (except rights thereunder deriving from its rights as the Servicer hereunder).

7.2 Appointment of Successor Servicer

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 7.1 or the Servicer's resignation or removal in accordance with the terms of this Agreement, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, until a Successor Servicer shall have assumed in writing the obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Indenture Trustee may, and at the written direction and with the consent of the Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture** shall, but subject to the provisions of the applicable Co-Owner Agreement, appoint a Successor Servicer with the Issuer's prior written consent thereto (which consent shall not be unreasonably withheld), and the Successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuer. If, within 30 days after the delivery of the Termination Notice, a Successor Servicer shall not have been appointed, the Indenture Trustee may, at the direction of Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, petition a court of competent jurisdiction to appoint a Successor Servicer under this Agreement. A Person shall qualify as a Successor Servicer only if (i) such Person is permitted under the Act to perform the duties of the Servicer, (ii) the Rating Agency Condition shall have been satisfied with respect to such appointment, (iii) such Person enters into a master transfer and servicing agreement with the Issuer having substantially the same provisions as this Agreement and (iv) such Person agrees to perform the obligations of the Servicer under any Co-Owner Agreement. In no event shall the Indenture Trustee be liable for its appointment of a Successor Servicer. The Indenture Trustee's expenses incurred under this Section 7.2(a) shall be at the sole expense of the Issuer and payable from the Collection Account as provided in **[Section 8.02]** of the Indenture.

(b) Upon appointment, the Successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter placed on the predecessor Servicer and shall be entitled to all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

7.3 Waiver of Past Defaults

The Indenture Trustee, with the written consent of Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, may waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to the Collection Account in accordance with this Agreement. Upon any such waiver of a past

default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

7.4 Notice of Servicer Default

The Servicer shall deliver to the Issuer, the Manager, the Indenture Trustee and the Rating Agencies promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice of any event that, with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 7.1.

7.5 Cooperation with Successor Servicer

The Servicer covenants and agrees with the Issuer that it will, on an ongoing basis, cooperate with the Successor Servicer and provide whatever information is, and take whatever actions are, reasonably necessary to assist the Successor Servicer in performing its obligations hereunder.

ARTICLE 8
MISCELLANEOUS

8.1 Amendment

~~(a)~~ This Agreement may be amended in writing by the IESO ~~and~~, the Issuer ~~with (i) the prior written consent of~~ **and** the Indenture Trustee~~, and (ii) the~~ **and with** satisfaction of the Rating Agency Condition. Promptly after the execution of any such amendment ~~or consent~~, the Issuer shall furnish copies of such amendment ~~or consent~~ to each of the Rating Agencies.

8.2 Withholding Rights

The parties shall be entitled to deduct and withholding from amounts payable under this Agreement such amounts as each is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

8.3 No Partnership

Each party expressly disclaims any intention to create a partnership, and none of the Issuer, the **IESO or the Indenture Trustee will be deemed to be carrying on business in partnership by reason of its execution and delivery of this Agreement or the exercise or performance by it of its respective rights and obligations hereunder.**

~~(b) Prior to the execution of any amendment to this Agreement, the Issuer and the Indenture Trustee shall be entitled to receive and rely upon an Opinion of Counsel, which counsel may be an employee of or counsel to the Issuer or the IESO and which shall be reasonably satisfactory to the Indenture Trustee, or, in the Indenture Trustee's sole judgment, external counsel of the IESO stating that the execution of such amendment is authorized and permitted by this Agreement and that all conditions precedent provided for in this Agreement relating to such amendment have been complied with. The Issuer and the Indenture Trustee may, but shall not be obligated to, enter into any such amendment that affects their own rights, duties, indemnities or immunities under this Agreement or otherwise.~~

8.4 ~~8.2~~ Notices

Any notice, report or other communication given hereunder shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (b) upon receipt when sent by an overnight courier, (c) on the date personally delivered to an authorized officer of the party to which sent, or (d) on the date transmitted by electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the IESO, in its capacity as Transferor or Servicer:

Independent Electricity System Operator
~~[Address]~~**120 Adelaide Street West, Suite 1600**
Toronto, Ontario M5H 1T1

Attention: ~~■~~
Chief Financial Officer, General Counsel and Associate General Counsel
Email: ■

(b) in the case of the Issuer or the Manager (on behalf of the Issuer):

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

(c) in the case of the Indenture Trustee:

■
[Address]

Attention: ■
Email: ■

Each party hereto may, by notice given in accordance herewith to the other party or parties hereto, designate any further or different address to which subsequent notices, reports and other communications shall be sent. Any notice, report or communication required to be given by the IESO hereunder to a Rating Agency shall be given to the address provided by the Issuer from time to time.

8.5 ~~8.3~~ Assignment

Notwithstanding anything to the contrary contained herein, except as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the IESO.

8.6 ~~8.4~~ Limitations on Rights of Third Parties

The provisions of this Agreement are solely for the benefit of the IESO, the Issuer and, to the extent provided herein or in the other Program Agreements, the Indenture Trustee (for its own benefit and for the benefit of the Specified Creditors) and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Issuer Investment Interest or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

8.7 ~~8.5~~ Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.8 ~~8.6~~ Separate Counterparts; Electronic Delivery

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by a party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

8.9 ~~8.7~~ Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party to this Agreement attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

8.10 ~~8.8 Assignment~~Grant of Security Interest to Indenture Trustee

The IESO hereby acknowledges and consents to ~~any mortgage, pledge, assignment and~~the grant of a ~~security interest~~Lien by the Issuer to the Indenture Trustee pursuant to the Indenture for the benefit of the Specified Creditors ~~of~~against all right, title and interest of the Issuer in, to and under this Agreement, the Investment Interest and the proceeds thereof and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Specified Creditors. ~~In no event shall the Indenture Trustee have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder or in any of the certificates delivered pursuant hereto, as to all of which any recourse shall be had solely to the assets of the Issuer subject to the availability of funds therefor under Section [8.02] of the Indenture.~~

8.11 ~~8.9~~ Limitation of Liability of Indenture Trustee

It is expressly understood and agreed by the parties hereto that this Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee on behalf of the Specified Creditors, in the exercise of the powers and authority conferred and vested in it. The Indenture Trustee in acting hereunder is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

8.12 ~~8.10~~ Limitation of Liability of the Issuer Trustee

(a) It is expressly understood and agreed by the parties hereto that the Issuer Trustee is acting solely in its capacity as trustee of the Issuer, and not in any other capacity. The Issuer solely shall be responsible for the performance of the Issuer's obligations hereunder and the assets of the Issuer solely shall be subject to levy or execution in satisfaction of such obligations.

(b) The Issuer Trustee will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's

activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by the Issuer Trustee to be taken, or the Issuer Trustee's failure to compel in any way any former or acting Issuer Trustee to redress any breach of trust with respect to the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, provided that the foregoing limitation will not apply in respect of action or failure to act arising from or in connection with dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee, in doing anything or permitting anything to be done in respect of the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, is, and will be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section ~~8.10~~**8.12**, the Issuer Trustee will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the Issuer Trustee owned in its personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

(c) The holders of the units of the Issuer will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by it to be taken. The holders of the units of the Issuer will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the holders of the units of the Issuer owned in their personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

8.13 ~~**8.11**~~ **Waivers**

Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof; provided, however, that no such waiver delivered by the Issuer shall be effective unless the Indenture Trustee has given its prior written consent thereto. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party, with prompt written notice of any such waiver to be provided to the Rating Agencies. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor

in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

~~**8.12 Indenture Trustee Actions**~~

~~In acting hereunder, the Indenture Trustee shall have the rights, protections and immunities granted to it under the Indenture.~~

~~**8.13 Issuer Trustee**~~

~~In acting hereunder, the Issuer Trustee shall have the rights, protections and immunities granted to it under the Declaration of Trust.~~

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By:
Name:
Title:

By:
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

By:
Name:
Title:

By:
Name:
Title:

~~**ACKNOWLEDGED AND ACCEPTED:**~~

[INDENTURE TRUSTEE]
as Indenture Trustee

By:
Name:
Title:

By:
Name:
Title:

EXHIBIT A

FORM OF TRANSFER NOTICE

See attached

TRANSFER NOTICE

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

This Transfer Notice is delivered to you pursuant to Section 2.1 of a master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted by~~ **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Master Transfer and Servicing Agreement.

The Transferor hereby gives notice to the Issuer of its ~~desire~~**offer** to transfer to the Issuer on the Closing Date set out below, on a fully serviced basis, the ~~specified portion~~**Specified Portion** of the Regulatory Asset set out below, all in accordance with the terms and conditions of the Master Transfer and Servicing Agreement. In consideration for (i) the Transferor's Transfer to the Issuer of the ~~specified portion~~**Specified Portion** of the Regulatory Asset set out below, on a fully serviced basis, ~~**[and (ii) the Transferor's agreement to pay to the Issuer all (a) Funding Costs, (b) Finance Reserve Deposits, (c) Financing Entity Expenses, and (d) Tax Liabilities (net of Tax Refunds) that are incurred by the Issuer in connection with such Transfer,]**~~[4] the Issuer shall deliver or cause to be delivered to the Transferor on the Closing Date set out below, by wire transfer in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set out below.

Upon receipt by the Transferor of the Purchase Price on the Closing Date, (i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price**,** and the Regulatory Asset shall be adjusted accordingly; and (ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any

[4] ~~Funding Rebate language to be included in Transfer Notice only when Clean Energy Adjustment is not being charged.~~

adverse claim, and shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest.

Specified portion of Regulatory Asset: $■

Purchase Price: $■

Closing Date: ■

The Transferor hereby represents, warrants and confirms that:

(i) each of the representations and warranties on the part of the Transferor contained in the Master Transfer and Servicing Agreement are true and correct in all respects on the date hereof as if made on the date hereof;

(ii) the Transferor is not in breach of any of its covenants in the Master Transfer and Servicing Agreement; and

(iii) as of the date hereof, each condition precedent that must be satisfied by the Transferor under Section 2.2 of the Master Transfer and Servicing Agreement is capable of being satisfied prior to Closing Date.

The closing shall take place at ■ (Toronto time) on the Closing Date referred to above at the offices of ■, except as may be otherwise mutually agreed. **The Purchase Price shall be paid on that date by bank wire transfer to [insert IESO bank account details].**

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

The undersigned hereby accepts the foregoing offer.

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT B

FORM OF MONTHLY REPORT

See Attached

MONTHLY REPORT

[NTD: Subject to continuing review by the Dealers and ~~Counsel to confirm form of Monthly IESO Report~~their counsel.]

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted~~ by **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Report have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ~~3.3~~■ of the Master Transfer and Servicing Agreement the Servicer hereby certifies in respect of the Billing Period corresponding to the calendar month of ■, ■, as follows:

	Item	**Amount**
(A)	Servicer CEA ~~Collections~~**Receipts**:	$■
(B)	Balance of Collection Account:	$■

[NTD: Any additional information considered necessary for OPG/IESO to be included.]

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT C

FORM OF MONTHLY ~~FUNDING REBATE~~CARRYING COSTS STATEMENT

See Attached

MONTHLY ~~FUNDING REBATE~~CARRYING COSTS STATEMENT

TO: INDEPENDENT ELECTRICITY SYSTEM OPERATOR
[Address]

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted by~~ **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly ~~Funding Rebate~~**Carrying Costs** Statement have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ~~3.4(a)~~**3.14** of the Master Transfer and Servicing Agreement, the undersigned hereby certifies that the Monthly ~~Funding Expenses incurred by the Issuer~~**Carrying Costs** in respect of the calendar month of ■, ■ are as follows:

~~Monthly Funding Expense~~	**Amount**
Funding ~~Costs~~**costs**:	$■
~~Finance Reserve Deposits~~**Derivative payments to be made**:	$■
Amounts deposited into accounts other than capital accounts:	**$■**
Financing ~~Entity Expenses~~**entity expenses**:	$■
Tax ~~Liabilities (net of Tax Refunds)~~**liabilities**:	$■
~~Total Monthly Funding Expense~~**Subtotal**:	$■
LESS:	
Amounts withdrawn from accounts other than capital accounts:	
Derivative payments to be received:	
Tax refunds:	**$■**
Subtotal:	**$■**
Monthly Carrying Costs	**$■**

~~**[NTD: Any additional information considered necessary for OPG/IESO to be included.]**~~

In accordance with Section ~~3.4~~**3.14**(b) of the Master Transfer and Servicing Agreement, the undersigned hereby directs you to deliver to the Issuer, by wire transfer to the account set forth below, an amount in Canadian dollars equal to the ~~Total~~ Monthly ~~Funding Expense~~**Carrying Costs** set forth above on or before ■, 20■, and this shall be your good and valid authority for so doing.

[NTD: Wire transfer instructions to be provided by OPG.]

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Document comparison by Workshare Compare on October-25-17 12:04:10 PM

Input:	
Document 1 ID	file://C:\Users\rramchan\Desktop\Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version).docx
Description	Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version)
Document 2 ID	interwovenSite://INVENTORYS1/TorysAtWork/24367979/3
Description	#24367979v3<TorysAtWork> - Fair Hydro - MTSA (Osler Oct 20 Draft)
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	437
Deletions	421
Moved from	29
Moved to	29
Style change	0
Format changed	0

Total changes	916

SECURITY AGREEMENT

THIS AGREEMENT made as of the ____ day of December, 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital established by the *Electricity Act, 1998*, SO, 1998,

(hereinafter referred to as the "**Grantor**"),

IN FAVOUR OF: -

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario,

(hereinafter referred to as the "**Secured Party**"),

ACKNOWLEDGED AND ACCEPTED BY:

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee,

(hereinafter referred to as the "**Indenture Trustee**"),

WHEREAS under Regulation 206/17 made under the *Ontario Fair Hydro Plan Act, 2017* (the "**Regulation**"), the Grantor is required to pay and remit to the Secured Party any amounts charged to the Grantor by the Secured Party in respect of Carrying Costs of the Secured Party during the period beginning on April 1, 2017 and ending on June 30, 2021 (the "**Statutory Obligation**");

AND WHEREAS the Grantor (collectively referred to as the "**Parties**") has agreed to enter into a security agreement in favour of the Secured Party as security for, inter alia, the performance of the Statutory Obligation;

AND WHEREAS this Agreement has been assigned by the Secured Party, by way of security, to the Indenture Trustee and the Indenture Trustee wishes to acknowledge and accept the terms of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that, for and in consideration of the premises, mutual covenants and conditions herein contained and such other lawful and valuable consideration the receipt of sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. INTERPRETATION

1.1 Defined Terms

In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

(a) "**Account**" shall have the meaning attributed to such term in the PPSA;

(b) "**Appropriation**" shall have the meaning ascribed to such term in the *Financial Administration Act*, R.S.O. 1990, c. F-12, as amended;

(c) "**Breach**" shall have the meaning attributed to such term in Section 6.1;

(d) "**Business Day**" means any day other than a Saturday or a Sunday on which banks generally are open for business in Toronto, Ontario;

(e) "**Carrying Costs**" shall have the meaning attributed to such term in the Regulation;

(f) "**Collateral**" shall have the meaning attributed to such term in Section 2.1;

(g) "**Excluded Accounts**" means all amounts payable to the Grantor pursuant to Appropriations;

(h) "**Money**" shall have the meaning attributed to such term in the PPSA;

(i) "**Permitted Liens**" means liens approved in writing by the Secured Party and the Indenture Trustee ;

(j) "**PPSA**" means the *Personal Property Security Act* (Ontario), as amended from time to time, and any regulations thereto;

(k) "**Proceeds**" shall have the meaning attributed to such term in the PPSA;

(l) **"Receiver"** shall have the meaning attributed to such term in Section 6.2 of this Agreement;

(m) "**Regulation**" shall have the meaning attributed to such term in the recitals hereto;

(n) "**Statutory Obligation**" shall have the meaning attributed to such term in the recitals hereto.

1.2 Other Usages

References to "this Agreement", "hereof", "herein", "hereto" and like references refer to this Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.3 Plural and Singular

Where the context so requires, the words importing the singular number shall include the plural and vice versa.

1.4 Headings

The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Applicable Law

This Agreement and all documents delivered pursuant hereto shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Parties do hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

1.6 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.7 Time of the Essence

Time shall in all respects be of the essence of this Agreement.

1.8 Recitals and Schedules

Each and every one of the recitals and schedules which are referred to in this Agreement and attached to this Agreement shall form an integral part of this Agreement.

2. SECURITY INTEREST

2.1 Grant of Security Interest

As general and continuing security for the payment and performance of the Statutory Obligation, the Grantor hereby assigns, transfers, sets over and grants a first-priority security interest to the Secured Party in the following (collectively, the "**Collateral**"):

(a) all Accounts, debts, choses in action and demands of every nature and kind, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Grantor, excluding Excluded Accounts;

(b) all deeds, documents, writings, papers and books relating to or being records of the property described in Section 2.1(a); and

(c) all Proceeds and renewals of the foregoing, in whatever form, together with all substitutions therefore.

Whenever used elsewhere in this Agreement, the expression "**security interest**" refers to the security interest created in this Section 2.1.

2.2 Attachment of Security Interest

The Grantor acknowledges and agrees that (i) value has been given, (ii) the Grantor has rights in the Collateral, and (iii) the security interest shall attach to existing Collateral upon execution of this Agreement by the Grantor and to each item of after-acquired Collateral at the time that the Grantor acquires any rights therein.

3. COVENANTS OF THE GRANTOR

3.1 Covenants

The Grantor hereby covenants and agrees with the Secured Party as follows:

(a) Not to pay any other obligations of the Grantor at any time when its Statutory Obligation to pay Carrying Costs is in arrears, except to the extent that such other obligations are satisfied from amounts payable to the Grantor pursuant to Appropriations.

(b) To promptly pay all taxes, assessments, rates, levies, payroll deductions, vacation pay, workers' compensation assessments, and any other charges which could result in the creation of a statutory lien or deemed trust in respect of the Collateral.

(c) To defend the Collateral against the claims and demands of all other persons claiming the same or an interest therein and to promptly notify the Secured Party of any such claim or demand.

(d) To deliver to the Secured Party such information concerning the Collateral or the Grantor as the Secured Party may reasonably request from time to time.

(e) To do, make, execute and deliver such further and other assignments, transfers, deeds, agreements and other documents as may be required by the Secured Party to establish in favour of the Secured Party the security interest intended to be created hereby and to accomplish the intention of this Agreement.

3.2 Performance of Covenants by the Secured Party

The Secured Party may, in its sole discretion and upon notice to and at the expense of the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform and that the Secured Party is capable of performing, provided that the Secured Party will not be obligated to perform any such covenant on behalf of the Grantor and no such performance by the

Secured Party will require the Secured Party further to perform the Grantor's covenants nor operate as a derogation of the rights and remedies of the Secured Party under this Agreement.

4. DEALING WITH COLLATERAL

4.1 Grantor's Rights before Breach

Until the occurrence of a Breach and subject to the terms hereof, the Grantor shall be entitled to deal with the Collateral in the ordinary course of business, provided however, that no such action shall be taken which would impair the effectiveness of the security interests created hereby or the value of the Collateral or which would be inconsistent with or violate the Regulation, the provisions of this Agreement or any other written agreement between the Secured Party and the Grantor.

4.2 General Restrictions

The Grantor shall not, without the prior written consent of the Secured Party:

(a) sell, lease or otherwise dispose of the Collateral or any part thereof except in the ordinary course of business;

(b) release, surrender or abandon possession of the Collateral or any part thereof; or

(c) enter into or grant, create, assume or suffer to exist any mortgage, charge, hypothec, assignment, pledge, lien or other security interest or encumbrance affecting any of the Collateral except the Permitted Liens.

4.3 Release by the Secured Party

The Secured Party may, at its discretion but subject to the written approval of the Indenture Trustee, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Statutory Obligation either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

5. REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties

The Grantor hereby represents and warrants to the Secured Party, the matters set out below:

(a) **Incorporation and Qualifications** – The Grantor is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite power and authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it, and to execute, deliver and carry out the terms of this Agreement.

(b) **Corporate Authority and Power** – The Grantor has the requisite power and authority to execute and deliver this Agreement and to carry out its terms. The

execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary action on the part of the Grantor under all applicable laws.

(c) **No Other Business Names or Styles** – The Grantor does not carry on business under or use any name or style other than the name(s) specified in Schedule A to this Agreement including.

(d) **Non-Conflict** – Neither the execution nor the performance of this Agreement requires the approval of any regulatory agency having jurisdiction over the Grantor nor is this Agreement in contravention of or in conflict with the by-laws or resolutions of the directors or shareholders of the Grantor or of the provisions of any agreement to which the Grantor is a party or by which any of its property may be bound or of any statute, regulation, by-law, ordinance or other law, or to the best of its knowledge of any judgement, decree, award, ruling or order to which the Grantor or any of its property may be subject, other than approvals that have been obtained.

(e) **Ownership of Collateral Free of Liens** – The Grantor is the owner of or has rights in the Collateral free and clear of any liens other than Permitted Liens.

(f) **Grantor Information** – Schedule A sets forth (a) the Grantor's jurisdiction of incorporation, (b) the location of the Grantor's registered office and business operations and records, and (c) the Grantor's exact legal name (in English and French).

(g) **Enforceability** – This Agreement constitutes a valid and legally binding obligation of the Grantor enforceable against it in accordance with its terms, subject to general equitable principles, including the fact that the availability of equitable remedies, such as injunctive relief and specific performance, is in the discretion of the court.

5.2 Reliance and Survival

All representations and warranties of the Grantor made in this Agreement or in any certificate or other document delivered by or on behalf of the Grantor to or for the benefit of the Secured Party are material, shall survive the execution and delivery of this Agreement and shall continue in full force and effect without time limit. The Secured Party shall be deemed to have relied upon each such representation and warranty notwithstanding any investigation made by or on behalf of the Secured Party at any time.

6. BREACH AND ENFORCEMENT

6.1 Enforceability of Security

The security hereby constituted shall become enforceable upon the occurrence of any of the following events each of which shall constitute a "**Breach**":

(a) the Grantor is in breach of the Statutory Obligation;

(b) any representation or warranty made or deemed made by or on behalf of the Grantor to the Secured Party under or in connection with this Agreement shall be materially false on the date as of which made; or

(c) any breach by the Grantor of any of the covenants, terms or provisions of Article 3 of this Agreement.

6.2 Remedies

At any time after the happening of any Breach, the Secured Party shall have the following rights, powers and remedies:

(a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Secured Party so desires; it being agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Secured Party hereunder;

(b) to make payments to parties having prior charges or encumbrances on the Collateral;

(c) to preserve, protect and maintain the Collateral;

(d) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement;

(e) to sell or dispose of all or any part of the Collateral whether by public or private sale or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including without limitation, terms that provide time for payment on credit;

(f) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;

(g) to notify the account debtors or obligors under any Accounts (other than Excluded Accounts) of the assignment of such Accounts to the Secured Party and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Grantor thereunder directly to the Secured Party and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Grantor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done; and

(h) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Secured Party, the Receiver or the Grantor for the purpose of exercising any of the rights, powers and remedies set out in this Section, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral.

6.3 Special Rules re Accounts

After the security hereby constituted becomes enforceable,

(a) all Money or other form of payment received by the Grantor in respect of all of its Accounts shall be received in trust for the benefit of the Secured Party hereunder, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Secured Party in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 6.8; and

(b) the Grantor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

6.4 Receiver as Agent

The Receiver shall be deemed to be the agent of the Grantor for the purpose of establishing liability for the acts or omissions of the Receiver and the Secured Party shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Grantor hereby irrevocably authorizes the Secured Party to give instructions to the Receiver relating to the performance of its duties as set out herein.

6.5 Expenses of Enforcement

The Grantor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, legal fees and disbursements on a full indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Secured Party and the Receiver as required all amounts of Money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Grantor to the Secured Party and the Receiver pursuant to this Section 6.5 shall be payable on demand.

6.6 Indulgences and Releases

Either the Secured Party or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Grantor, debtors of the Grantor, sureties and others and with the Collateral and other security as the Secured Party or the Receiver may see fit without prejudice to the Statutory Obligation or the right of the Secured Party and the Receiver to repossess, hold, collect and realize the Collateral.

6.7 No Liability for Failure to Exercise Remedies

The Secured Party and the Receiver shall not be liable or accountable to the Grantor or to any other person for any failure to exercise any of the rights, powers and remedies set out in this Agreement, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Secured Party, the Receiver, the Grantor or any other party in respect of the same.

6.8 Proceeds of Disposition

All Moneys received by the Secured Party or by the Receiver pursuant to Section 6.2 shall be applied as follows:

(a) first, in payment of all costs and expenses incurred by the Secured Party in the exercise of all or any of the powers granted to it under this Agreement and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 6.5;

(b) second, in payment of all amounts of Money borrowed or advanced by either of the Secured Party or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;

(c) third, in payment of the Statutory Obligation, provided that if there are not sufficient Moneys to fully pay and perform the Statutory Obligation, the Secured Party may apply the Moneys available to such part or parts thereof as the Secured Party, in its sole discretion, may determine; and

(d) fourth, in payment of any surplus in accordance with applicable law.

6.9 Grantor Liable for Deficiency

If the Moneys received by the Secured Party or the Receiver pursuant to Section 6.2 are not sufficient to pay the claims set out in Section 6.8, the Grantor shall immediately pay the Secured Party the amount of such deficiency.

6.10 Restriction on Grantor

Upon the Secured Party taking possession of the Collateral or the appointment of a Receiver, all the powers, functions, rights and privileges of the Grantor or any officer, director, servant or agent of the Grantor with respect to the Collateral shall, to the extent permitted by applicable law, be suspended unless specifically continued by the written consent of the Secured Party; however, all other powers, functions, rights and privileges of the Grantor or any officer, director, servant or agent of the Grantor shall be unaffected by such events.

6.11 Rights Cumulative

All rights and remedies of the Secured Party set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute.

6.12 Care by the Secured Party

The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in the Secured Party's possession if it takes such action for

that purpose as the Grantor requests in writing, but failure of the Secured Party to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Secured Party to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Grantor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

6.13 Application by Grantor re: Receiver

The Grantor hereby irrevocably waives its right to make an application to any court with respect to the appointment, powers or remuneration of the Receiver.

7. GENERAL

7.1 Waiver

Any breach by the Grantor of any of the provisions contained in this Agreement or any default by the Grantor in the observance or performance of any covenant or condition required to be observed or performed by the Grantor hereunder, may only be waived by the Secured Party in writing, provided that no such waiver by the Secured Party shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

7.2 The Secured Party as Attorney

The Grantor hereby irrevocably appoints the Secured Party and any person further designated by the Secured Party to be the attorney of the Grantor for and in the name of the Grantor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Grantor is obliged to sign, execute or do hereunder and, after the happening of any Breach, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Grantor in the exercise of all or any of the powers hereby conferred on the Secured Party. These powers are coupled with an interest, have been given for valuable consideration (the receipt and adequacy of which is acknowledged), survive, and do not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Grantor, and are irrevocable until the Statutory Obligation has been satisfied in full and this Agreement is terminated and the security interest created herein has been released. This power of attorney extends to and is binding upon the Grantor's successors and permitted assigns. The Grantor authorizes the Secured Party to delegate in writing to another person any power and authority of the Secured Party under this power of attorney as may be necessary or desirable in the opinion of the Secured Party, and to revoke or suspend such delegation.

7.3 Further Assurances

The Grantor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party shall reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party a security interest in the Collateral, or which the Grantor may hereafter become bound to charge in favour of the Secured Party, for the purpose of accomplishing and effecting the intention of this Agreement.

7.4 Amalgamation of the Grantor

The Grantor acknowledges and agrees that in the event that it amalgamates with any other persons, then (i) the Collateral and the security interest shall extend to and include all of the property and undertaking that any of the amalgamating corporations then owns, all of the property and undertaking that the amalgamated corporation thereafter acquires, all of the property and undertaking in which any of the amalgamating corporations then has any interest, and all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest, and (ii) all references herein to the Grantor shall extend to and include the amalgamated corporation.

7.5 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Statutory Obligation until the Statutory Obligation is paid and performed in full.

7.6 Notices

All notices and other communications provided for herein shall be in writing and shall be personally delivered to an officer or other responsible employee of the addressee or sent by facsimile, charges prepaid, at or to the applicable address or facsimile number, as the case may be, of the party set opposite its name below or at or to such other address or addresses or facsimile number or numbers as either party may from time to time designate to the other party in such manner. Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of delivery. Any communication which is transmitted by facsimile as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of transmission.

In the case of the Grantor:

Independent Electricity System Operator
[Address]

Attention: ■
Email: ■
Facsimile: ■

In the case of the Secured Party:

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■
Facsimile: ■

7.7 Assignment

The Secured Party may from time to time upon notice to, but without the consent of the Grantor, assign or transfer this Agreement to any other person (the "**Assignee**"). The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Secured Party. The Grantor shall not be entitled to assign or transfer this Agreement or any of the Grantor's rights, duties or obligations hereunder without the prior written consent of the Secured Party.

7.8 Successors and Assigns

This Agreement shall enure to the benefit of the Secured Party and its successors and assigns and shall be binding upon the Grantor and its successors and permitted assigns.

7.9 Amendments

This Agreement may not be amended or otherwise modified except by an instrument in writing executed by all the Parties.

7.10 Entire Agreement

This Agreement and the agreements referred to herein and any document, agreement or instrument delivered pursuant to such agreements constitute the entire agreement between the Parties and supersede any prior agreements, undertakings, declarations, representations and undertakings, both written and verbal, in respect of the subject matter hereof.

7.11 Receipt of Agreement and Financing Statement.

The Grantor hereby acknowledges receipt of an executed copy of this Agreement and of the financing statement registered under the PPSA evidencing the security interest created hereby.

7.12 Counterpart

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

7.13 Delivery by Facsimile or Electronic Transmission

This Agreement may be executed and delivered by facsimile or electronic transmission and each of the Parties may rely on such facsimile or electronic signature as though such facsimile signature were an original signature.

[NEXT PAGE IS SIGNATURE PAGE]

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date first written above.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC., as Secured Party

By: _____
Name:
Title:

By: _____
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Grantor

By: _____
Name:
Title:

By: _____
Name:
Title:

ACKNOWLEDGED AND ACCEPTED:

[INDENTURE TRUSTEE]
as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

GRANTOR INFORMATION

1. **Grantor's exact legal name: Independent Electricity System Operator**

   ■ [French]

2. **Grantor's jurisdiction of incorporation: Ontario**

3. **Grantor's registered office address: ■**

4. **Location of Grantor's business operations and records: ■**

From: Hanslep, Malle (MOF) [Malle.Hanslep@ontario.ca]
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
CC: Tobias P. Whitfield (MOF) [Tobias.Whitfield@ontario.ca]
Subject: FW: Fair Hydro -- Change of Law Assumption Agreement
Date: Wednesday, October 25, 2017 14:44:42
Attachment 1: image001.jpg
Attachment 2: Response to OPG comments on Change of Law Protection Agreement.docx

---

From: Whitfield, Tobias P. (MOF)
Sent: October 13, 2017 4:47 PM
To: Mansoori, Nina
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Please find attached our comments on your response of October 6. We have moved the text of your email to the attached document and responded inline in square brackets for ease of review.

We recognize that we are running out of time, and that we should discuss and move this forward at the beginning of next week.

We also generally recognize that, although there are still some gaps in our respective approaches, we would find it helpful to have some more specific suggestions and comments on our Sept. 27 draft in order to help move this forward. This might include also the timing issues, with some indication of where, if OPG finds the timing does not work, some alternatives can be suggested for consideration.

Best
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: October 6, 2017 5:58 PM
To: Whitfield, Tobias P. (MOF)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna

-TREASURY'
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,
Nina

Accounting Issues:
E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence
-that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt
-the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts)
-the negative pledge with respect to the exercise of certain options on the debt
-the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have. Please also advise if the Province's accountants have reviewed the proposal.

Practical Issues:

- The procedural steps to bind the Province are lengthy and complicated. From our perspective, as drafted, OPG will likely have to seek Provincial approval on each debt issuance (which weakens the accounting as discussed above). The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself. Setting aside the mechanics of how we get there, the dealers want comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement. We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province

delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met. The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.

- In addition to the accounting concerns, the level of detail and frequency of reporting required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.

Drafting Issues:

- Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.
- We'd like to understand the reason OPG's management fees have been excluded. We assume you do not intend for OPG's reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? Please advise why taxes are being excluded?
- There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.
- We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: September-27-17 4:21 PM
To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Mansoori, Nina <nmansoori@torys.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Rima,

Further to our earlier conversations, please find attached our proposed process for confirmation of application of the Protection Agreement.

We would be happy to discuss further when you have had a chance to review.

Best
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: September 25, 2017 12:21 PM
To: 'STEPHEN.ASHBOURNE@blakes.com'; Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Good morning all, just following up on our email below. Please let us know when we should expect your feedback.

Many thanks,
Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

[torys.com]

From: Ramchandani, Rima
Sent: September-19-17 9:55 PM
To: 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Fair Hydro -- Change of Law Assumption Agreement

Steve, Malle and Toby, further to our meeting the other day, set out below for your review is a proposal on the Provincial approval process under the Change of Law Assumption Agreement.

Once we have your feedback on this, we will need to share it with Osler and the accountants and as John mentioned, we are under some time pressure to bring this to a resolution prior to the upcoming June 29 OPG Board meeting. We look forward to your comments, and feel free to reach out if you have any questions. -- Rima

Obligor Approval

The Change of Law Assumption Agreement will apply to all Specified Claims relating to Funding Obligations that are incurred by an Eligible Financing Entity in accordance with the Obligor's approval process. The definition of Specified Claims to be mutually agreed by all parties.

In order for a Financing Entity to become designated as an Eligible Financing Entity by the Obligor, prior to the initial issuance of Funding Obligations by such Financing Entity, the Obligor will be provided with copies of the following documents (collectively the "Program Documents") for review:

(i) the constating documents of such Financing Entity;
(ii) the management agreement between the Financing Entity and OPG;
(iii) the master transfer and servicing agreement between the Financing Entity and the IESO;
(iv) the master trust indenture governing the issuance of Funding Obligations by the Financing Entity;
(v) a form of supplemental indenture governing the issuance of bonds, issuable in series, by the Financing Entity;
(vi) a form of note purchase agreement or credit agreement governing the issuance of short term Funding Obligations by the Financing Entity;
(vii) a form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; and
(viii) such other documents as may be requested by the Obligor.

Once a Financing Entity is designated by the Obligor as an Eligible Financing Entity, it will not be necessary for the Obligor to approve the documentation related to specific issuances of Funding Obligations; however, OPG will be expected to notify the Obligor of any new material program documentation or any material amendments to existing program documentation before such new documentation or amendments become effective. The failure of OPG to provide any such notice will not invalidate the application of the Change of Law Assumption Agreement to any Specified Claims.

It will not be necessary for the Obligor to approve each new issuance of Funding Obligations provided that such Funding Obligations are issued in accordance with following:

(1) The Funding Obligations are issued in accordance with agreements that contain: (a) covenants of the Eligible Financing Entity that are no more onerous in any material respect and (b) events of default that are consistent in all material respects, respectively, with the covenants of the Eligible Financing Entity and events of default contained in the draft Program Documents.

(2) At least [30 days] prior to the initial issuance of Funding Obligations by an Eligible Financing Entity, OPG will provide the Obligor with a forecast of the principal amount and expected term of

the Funding Obligations that OPG expects such Eligible Financing Entity to issue in accordance with the Financing Plan in the next two years (a "Two Year Forecast"). The execution of the Change of Law Assumption Agreement in respect of such Eligible Financing Entity shall constitute the Obligor's approval of the issuance of Funding Obligations by such Eligible Financing Entity in accordance with the Two Year Forecast.

(3) OPG shall provide the Obligor with an updated Two Year Forecast between 9 and 12 months prior to the expiry of each current Two Year Forecast.

(4) Unless the Obligor provides OPG with a written notice no later than 3 months prior to the date following receipt of the current Two Year Forecast that the Change of Law Assumption Agreement will be inapplicable with respect to new Funding Obligations incurred following the expiry of the current Two Year Forecast, the Obligor will be deemed to approve the application of the Change of Law Assumption Agreement to all Funding Obligations incurred up to the expiry of the new Two Year Forecast.

At the time of issuance of Funding Obligations by an Eligible Financing Entity, the Financing Entity will provide (i) any required certifications to the underwriters/agents that such Funding Obligations are covered by the Change of Law Assumption Agreement; and (ii) notice to the Obligor of the material terms of the Funding Obligations issued, together with electronic copies of the final executed Program Documents.

P. 416.865.7666

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This email and any attachments are for the sole use of the intended recipients and may be privileged or confidential. Any distribution, printing or other use by anyone else is prohibited. If you are not an intended recipient, please contact the sender immediately, and permanently delete this email and attachments.

Le présent courriel et les documents qui y sont joints sont exclusivement réservés à l'utilisation des destinataires concernés et peuvent être de nature privilégiée ou confidentielle. Toute distribution, impression ou autre utilisation est interdite aux autres personnes. Si vous ne faites pas partie des destinataires concernés, veuillez en informer immédiatement l'expéditeur, ainsi que supprimer ce courriel et les documents joints de manière permanente.

TORYS
LLP

[NOTE TO DRAFT: CONFIRM THAT TORYS IS REFERRING TO THE OFA/MOE PROPOSAL FROM SEPTEMBER 27TH.]

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,
Nina

Accounting Issues:
E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

[There is minimal oversight and input from the Province so long as the pre-agreed scope and parameters are adhered to.]

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence

[The proposal is that basic information regarding an incurrence will be provided to enable the province to (1) understand the nature and scope of the incurrence, to enable the Province to address internal governance considerations and (2) to be satisfied that the proposed incurrences are in-line with the pre-agreed parameters (the "Parameters"). The intention is not to curtail incurrences that follow the pre-agreed approach. The timing of the notice to the Province may be a point of discussion.]

-that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt
[As the entity running the program, OPG will be expected to provide the province with information sufficient to enable the province to make sure any incurrence falls inside the Parameters. The delivery of a certificate in an agreed form, just prior to the time of the incurrence, is meant to create a brightline test for the financing entity's counterparties to know that, so long as the certificate has been delivered (even if it's inaccurate), the Province will be bound. As you suggest below, any inaccuracy will give rise to considerations between the province and OPG. The delivery of the certificate at the time of an incurrence is considered an important due diligence confirmation for the province.
What is the basis for E&Y expressing a reservation regarding the province having access to underlying information about the "approved obligations", which in turn will define the scope of the

province's own obligations if called upon under the change of law protection agreement (CLPA)?]
-the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts)
[Any surety in a similar circumstance would want to know the nature and extent of the obligations incurred and to be incurred. That information is intended to allow the province to ensure compliance with the Parameters. Please provide an alternative proposal that meets OPGs requirements and still provides adequate information for the Province.]
-the negative pledge with respect to the exercise of certain options on the debt
[The idea is that if there is optionality in favour of the financing entity, and the exercise would affect the payment profile under the CLPA, such an exercise following a Protection Event should not affect the Province's payment obligations. In effect, the payment schedule will crystalize and cannot be accelerated or extended once the province becomes obligated to pay, following a Protection Event.]
-the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement
[The Province needs to understand the overall credit picture of the financing entity since it will become a creditor (through subrogation) if it is called on to perform. Exclusions are narrowly defined and should be minimal in practice.]

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have.
[These checks and balances are in-line with the province not writing a "blank cheque" in relation to future incurrences. Prudent sureties would be expected to exercise diligence - indeed to do less could be evidence of interdependence and non-arm's length terms, which presumably would be unhelpful to E&Y's analysis.] Please also advise if the Province's accountants have reviewed the proposal.
[The Province's accountants are involved in this process and are also reviewing the proposal]

Practical Issues:

- The procedural steps to bind the Province are lengthy and complicated.

[The OFHPA will involve very significant and complex financings. The process is intended to provide an appropriate level of third party enquiry given the size and scale of the financing program to the province and in order to ensure the issuances are within the Parameters.] From our perspective, as drafted, OPG will likely have to seek Provincial approval
[No approval is contemplated or expected by the Province, except if the incurrence is outside of the pre-agreed boundaries.] on each debt issuance (which weakens the accounting as discussed above)
[An explanation of the relevant accounting principles that E&Y has expressed concern about would assist the province to understand E&Y'S concerns. Also, a detailed list of any particular troublesome requirements would be helpful, with drafting suggestions as appropriate] [The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself.
[From the dealers' perspective, the three listed requirements (namely, (1) quantum under the program limit (2) delivery of the OPG certificate (3) absence of contrary notice from the Province) can be easily and objectively verified by the dealers. These process requirements should be reflected in the incurrence procedures as a check/balance at the relevant time, given that the province will not otherwise be directly involved in the incurrence process but will be obligated under the CLPA] Setting aside the mechanics of how we get there, the dealers want

comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement.

[As noted above, the three listed requirements can be easily and objectively confirmed by the dealers prior to a closing. inaccuracies or other failures within the certification process will not negate the Province's obligations] We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met.

[As noted, this due diligence check/balance is how the province will ensure the issuances satisfy the Parameters. It is anticipated that the Ministers will see this process as significant to the exercise of their authorities under OFHPA 5(3). Ultimately, the Province will depend on OPG, which is why the delivery of a certificate, without being impugned by an accuracy, is the contemplated adherence condition - rather than making the confirmation of certificate accuracy a condition, which we assume would be unwelcome by the underwriters.] The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.

[The Province wants an actual certificate to be delivered to it (not just the indenture trustee) as part of the closing process. Also, the program limit and failsafe disapproval notice are considered to be important safeguards for the province]

- In addition to the accounting concerns, the level of detail and frequency of reporting required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.
- [In the case of details not known at the time the OPG certificate is to be delivered (which will be expected to occur close to closing), it should be sufficient to indicate the process by which those details will be finalized. For example, it would be sufficient to say "interest rates to be set on or about [date] based on underwriting syndicate pricing indications".]

Drafting Issues:

- Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.
- [The proposal uses the specific defined terms from the OFHPA and regulation, in order to tie back to the statute and appropriately narrow the scope to the obligations that are reasonably known to require protection from the province. Considerable thought has been given to the approach reflected in the province's proposal. The Province wishes to focus on each inclusion that requires the support arrangements, which should then be net of available/free cash flows, set-offs, etc. Please provide specific comments on any specific items of concerns.]
- We'd like to understand the reason OPG's management fees have been excluded. [This is still an open question under consideration.] We assume you do not intend for OPG's

reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? [Under consideration] Please advise why taxes are being excluded?

[CRA does not require/is not entitled by law to the benefit of the protection arrangement. Please explain the logic of the request to include taxes]

- There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.

[For the Province's support arrangement to apply to an obligation, the quantum of the obligation must be factored into the program maximum test. if the obligation is a contingent obligation, the province's obligations must be capped so that the amount of the cap can be factored into the program limit test]

- We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

[In the interest of time, please provide any other detailed comments you may have on the September 27th version of the proposal as soon as possible]

From: Hanslep, Malle (MOF) [Malle.Hanslep@ontario.ca]
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
CC: Tobias P. Whitfield (MOF) [Tobias.Whitfield@ontario.ca]
Subject: FW: Fair Hydro -- Change of Law Assumption Agreement
Date: Wednesday, October 25, 2017 14:44:02
Attachment 1: Warehouse Supplement - October 17, 2017.doc

FYI

-----Original Message-----

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: October 21, 2017 11:28 PM

To: Whitfield, Tobias P. (MOF)

Cc: 'LEE John -TREASURY'; 'RYFA Ken -TREASURY'; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'; Emes, Aaron; Mansoori, Nina

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thanks for your email. Based on the term sheet, since the Province isn't guaranteeing the obligations under these agreements but only stepping in if there is a change of law "protection event", we did not expect the drafting of the Change of Law Protection Agreement would be implicated by these other agreements (particularly now that we have proposed dealing with the Province's approval of the various program agreements in a separate procedures document). We also understand that in order to be in a position to close on a financing before year end, the Change of Law Protection Agreement needs to be substantially settled by early November. If that is still the case, then we expect the dealers and their counsel will need to see a draft in this coming week.

In the interest of time, we have attached an initial draft of the supplemental indenture for the warehouse facility which, as noted previously, has not yet been reviewed by OPG and Torys. The supplemental for the long term financing will be a simpler document - with mechanics for issuing the notes and pricing information but likely no additional covenants and events of default and no drawdown mechanics like the warehouse facility.

We will start copying the Province and Blakes on circulations of all documents going forward. Please let us know if the entire team on this email should be copied or only Blakes and the Provincial legal team.

Best Regards,

Nina

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: October-21-17 8:53 AM

To: Mansoori, Nina <nmansoori@torys.com>

Cc: 'LEE John -TREASURY' <john.s.lee@opg.com>; 'RYFA Ken -TREASURY' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com>; Emes, Aaron <aemes@torys.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: Re: Fair Hydro -- Change of Law Assumption Agreement

Nina,

We are working on a draft of the Change of Law Protection Agreement, but cannot complete the drafting until we have seen a draft of the Supplemental Indenture and the other instruments that are to be guaranteed.

We are also working on drafting some responses and comments to your comments from Wednesday on the approval process document, and will get back to you with those soon.

Best

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

777 Bay Street, 11th Floor

Toronto, ON, M5G 2C8

tobias.whitfield@ontario.ca

Phone: 416-325-1456

From: Mansoori, Nina

Sent: Friday, October 20, 2017 10:23 AM

To: Whitfield, Tobias P. (MOF)

Cc: 'LEE John -TREASURY'; 'RYFA Ken -TREASURY'; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'; Emes, Aaron; Mansoori, Nina

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

In the interest of time, we have drafted a procedures agreement incorporating the approval mechanics we circulated below. As noted in previous correspondence, we think the approval process should be the subject of a separate

agreement and not included in the Change of Law Protection Agreement you are drafting. Please note that the attached remains subject to the continuing review of OPG and Torys.

Can you please also let us know when we can expect to see a draft of the Change of Law Protection Agreement?

Many thanks,

Nina

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Mansoori, Nina

Sent: October-18-17 9:53 AM

To: 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>

Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby – further to discussions between OPG and the Province, please find attached comments on the draft proposal under the Change of Law Protection Agreement (blacklined to the draft circulated below). The attached reflects our comments from accounting, operational and financeability perspectives. In particular, the financeability of the program will turn on whether there is a clear and concise way for investors to determine that an incurrence of funding obligations will be covered under the Change of Law Protection Agreement and that, once confirmed, the confirmation is irrevocable. Accordingly, we have proposed in the attached that a simple confirmation from OPG to a third party binds the Province in respect of the incurrence of the applicable funding obligations provided that OPG has satisfied the requirements of the approval process (which we propose be the subject of a separate procedures agreement or memo). Please note that the attached remains subject to the review of the working group including the

dealers and the rating agencies.

Best Regards,

Nina

Nina Mansoori

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: October-13-17 4:47 PM

To: Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>

Cc: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca<mailto:Mark.Donaldson@ontario.ca>>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca<mailto:Scott.Nelms@ontario.ca>>; Devine, James (OFA) <James.Devine@ofina.on.ca<mailto:James.Devine@ofina.on.ca>>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca<mailto:Carlos.Yep@ofina.on.ca>>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Cengarle, John (MOF) <John.Cengarle@ontario.ca<mailto:John.Cengarle@ontario.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Katona, Keley (MOF) <Keley.Katona@ontario.ca<mailto:Keley.Katona@ontario.ca>>; He, Gavin (OFA) <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca<mailto:Anis.Hirani@ofina.on.ca>>; Kim, John (OFA) <John.Kim@ofina.on.ca<mailto:John.Kim@ofina.on.ca>>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Please find attached our comments on your response of October 6. We have moved the text of your email to the attached document and responded inline in square brackets for ease of review.

We recognize that we are running out of time, and that we should discuss and move this forward at the beginning of next week.

We also generally recognize that, although there are still some gaps in our respective approaches, we would find it helpful to have some more specific suggestions and comments on our Sept. 27 draft in order to help move this forward. This might include also the timing issues, with some indication of where, if OPG finds the timing does not work, some alternatives can be suggested for consideration.

Best

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca<mailto:tobias.whitfield@ontario.ca>

Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: October 6, 2017 5:58 PM

To: Whitfield, Tobias P. (MOF)

Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,

Nina

Accounting Issues:

E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence -that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt -the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts) -the negative pledge with respect to the exercise of certain options on the debt -the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have. Please also advise if the Province's accountants have reviewed the proposal.

Practical Issues:

* The procedural steps to bind the Province are lengthy and complicated. From our perspective, as drafted, OPG will likely have to seek Provincial approval on each debt issuance (which weakens the accounting as discussed above). The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself. Setting aside the mechanics of how we get there, the dealers want comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement. We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met. The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.

* In addition to the accounting concerns, the level of detail and frequency of reporting required present timing

and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.

Drafting Issues:

* Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.

* We'd like to understand the reason OPG's management fees have been excluded. We assume you do not intend for OPG's reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? Please advise why taxes are being excluded?

* There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.

* We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: September-27-17 4:21 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>

Cc: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca<mailto:Mark.Donaldson@ontario.ca>>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca<mailto:Scott.Nelms@ontario.ca>>; Devine, James (OFA) <James.Devine@ofina.on.ca<mailto:James.Devine@ofina.on.ca>>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca<mailto:Carlos.Yep@ofina.on.ca>>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Cengarle, John (MOF)

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Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Rima,

Further to our earlier conversations, please find attached our proposed process for confirmation of application of the Protection Agreement.

We would be happy to discuss further when you have had a chance to review.

Best

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca<mailto:tobias.whitfield@ontario.ca>

Phone: 416-325-1456

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: September 25, 2017 12:21 PM

To: 'STEPHEN.ASHBOURNE@blakes.com'; Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)

Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Feldman, Michael; Mansoori, Nina

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Good morning all, just following up on our email below. Please let us know when we should expect your feedback.

Many thanks,

Rima

Rima Ramchandani

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From: Ramchandani, Rima

Sent: September-19-17 9:55 PM

To: 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>

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Subject: Fair Hydro -- Change of Law Assumption Agreement

Steve, Malle and Toby, further to our meeting the other day, set out below for your review is a proposal on the Provincial approval process under the Change of Law Assumption Agreement. Once we have your feedback on this, we will need to share it with Osler and the accountants and as John mentioned, we are under some time pressure to bring this to a resolution prior to the upcoming June 29 OPG Board meeting. We look forward to your comments, and feel free to reach out if you have any questions. -- Rima

Obligor Approval

The Change of Law Assumption Agreement will apply to all Specified Claims relating to Funding Obligations that are incurred by an Eligible Financing Entity in accordance with the Obligor's approval process. The definition of Specified Claims to be mutually agreed by all parties.

In order for a Financing Entity to become designated as an Eligible Financing Entity by the Obligor, prior to the initial issuance of Funding Obligations by such Financing Entity, the Obligor will be provided with copies of the following documents (collectively the "Program Documents") for review:

(i) the constating documents of such Financing Entity;

(ii) the management agreement between the Financing Entity and OPG;

(iii) the master transfer and servicing agreement between the Financing Entity and the IESO;

(iv) the master trust indenture governing the issuance of Funding Obligations by the Financing Entity;

(v) a form of supplemental indenture governing the issuance of bonds, issuable in series, by the Financing Entity;

(vi) a form of note purchase agreement or credit agreement governing the issuance of short term Funding Obligations by the Financing Entity;

(vii) a form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; and

(viii) such other documents as may be requested by the Obligor.

Once a Financing Entity is designated by the Obligor as an Eligible Financing Entity, it will not be necessary for the Obligor to approve the documentation related to specific issuances of Funding Obligations; however, OPG will be expected to notify the Obligor of any new material program documentation or any material amendments to existing program documentation before such new documentation or amendments become effective. The failure of OPG to provide any such notice will not invalidate the application of the Change of Law Assumption Agreement to any Specified Claims.

It will not be necessary for the Obligor to approve each new issuance of Funding Obligations provided that such Funding Obligations are issued in accordance with following:

(1) The Funding Obligations are issued in accordance with agreements that contain: (a) covenants of the Eligible Financing Entity that are no more onerous in any material respect and (b) events of default that are consistent in all material respects, respectively, with the covenants of the Eligible Financing Entity and events of default contained in the draft Program Documents.

(2) At least [30 days] prior to the initial issuance of Funding Obligations by an Eligible Financing Entity, OPG will provide the Obligor with a forecast of the principal amount and expected term of the Funding Obligations that OPG expects such Eligible Financing Entity to issue in accordance with the Financing Plan in the next two years (a "Two Year Forecast"). The execution of the Change of Law Assumption Agreement in respect of such Eligible Financing Entity shall constitute the Obligor's approval of the issuance of Funding Obligations by such Eligible Financing Entity in accordance with the Two Year Forecast.

(3) OPG shall provide the Obligor with an updated Two Year Forecast between 9 and 12 months prior to the expiry of each current Two Year Forecast.

(4) Unless the Obligor provides OPG with a written notice no later than 3 months prior to the date following receipt of the current Two Year Forecast that the Change of Law Assumption Agreement will be inapplicable with respect to new Funding Obligations incurred following the expiry of the current Two Year Forecast, the Obligor will be deemed to approve the application of the Change of Law Assumption Agreement to all Funding Obligations incurred up to the expiry of the new Two Year Forecast.

At the time of issuance of Funding Obligations by an Eligible Financing Entity, the Financing Entity will provide (i) any required certifications to the underwriters/agents that such Funding Obligations are covered by the Change of Law Assumption Agreement; and (ii) notice to the Obligor of the material terms of the Funding Obligations issued, together with electronic copies of the final executed Program Documents.

P. 416.865.7666

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SERIES 2017-1 SUPPLEMENTAL INDENTURE

between

[ISSUER] TRUST

by

● TRUST COMPANY OF CANADA
as Issuer Trustee

and

● TRUST COMPANY OF CANADA
as Indenture Trustee

and

●
as Administrative Agent

and

CERTAIN CP CONDUIT PURCHASERS,
CERTAIN NON-CONDUIT PURCHASERS
CERTAIN FUNDING AGENTS
and CERTAIN GROUP BANKS

Made as of ●, 2017

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FLOATING RATE VARIABLE FUNDING SENIOR NOTES, SERIES 2017-1

SUPPLEMENTAL INDENTURE made as of ●, 2017, between ● **Trust Company of Canada**, a trust company established under the laws of Canada (the "**Issuer Trustee**"), in its capacity as trustee of ●, a trust existing under the laws of the Province of Ontario (in such capacity, the "**Issuer**"), ● **Trust Company of Canada**, a trust company established under the laws of Canada (the "**Indenture Trustee**"), ●, in its capacity as the administrative agent for the Purchaser Groups (the "**Administrative Agent**"), the **Non-Conduit Purchasers** from time to time party hereto, the **CP Conduit Purchasers** from time to time party hereto, and the **Funding Agents** for the CP Conduit Purchaser Groups from time to time party hereto.

WHEREAS pursuant to the Trust Indenture, provision was made for the issuance of Notes from time to time;

AND WHEREAS pursuant to the Trust Indenture, the Notes may be issued in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of the Series 2017-1 Senior Notes;

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) The provisions of Section 1.1 of the Trust Indenture are applicable to this Supplemental Indenture. All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article 1 of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2017-1 Senior Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental Indenture are

applicable only in respect of the Series 2017-1 Senior Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2017-1 Senior Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2017-1 Senior Notes in accordance with Section 1.2 above.

ARTICLE 2
PRINCIPAL TERMS

2.1 Creation of Series 2017-1 Senior Notes

There is hereby created a Series of Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**Floating Rate Variable Funding Senior Notes, Series 2017-1**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2017-1 Senior Notes:

(a) will be designated as set out in Section 2.1;

(b) will be Senior Notes;

(c) will have a Stated Principal Amount equal to the Series 2017-1 Maximum Principal Amount;

(d) will not be issued in Classes or Tranches;

(e) will be denominated in Canadian dollars;

(f) will not be listed on any securities exchange;

(g) will have an Initial Dollar Principal Amount equal to the Series 2017-1 Initial Principal Amount;

(h) will be issued as definitive notes and will not be in the form of a Global Note;

(i) will be issued as Registered Notes and will be without coupons;

(j) will be Senior Notes and will not be subordinated to any other Series, Class or Tranche of Notes;

(k) will be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Issuer Trustee;

(l) will have a Principal Payment Due Date that is the Series 2017-1 Principal Payment Due Date;

(m) will have a Principal Payment Default Date that is the Series 2017-1 Principal Payment Default Date; and

(n) will have no minimum issue amount.

ARTICLE 3
NOTE PURCHASE FACILITY

3.1 Purchase of Notes by the Purchasers

(a) ***Initial Purchases***. Subject to the terms and conditions of this Supplemental Indenture, including delivery of notice in accordance with Section 3.3, (i) each Non-Conduit Purchaser shall purchase, and each CP Conduit Purchaser may, in its sole discretion, purchase a Series 2017-1 Senior Note in an amount equal to all or a portion of its Commitment Percentage of the Series 2017-1 Initial Principal Amount on any Business Day during the period from the date hereof to and including **[December 15, 2017]**, and if any such CP Conduit Purchaser shall have notified the Administrative Agent and the Funding Agent with respect to such CP Conduit Purchaser that it has elected not to fund a Series 2017-1 Senior Note in an amount equal to its Commitment Percentage of the Series 2017-1 Initial Principal Amount on the Series 2017-1 Closing Date, the Group Bank with respect to such CP Conduit Purchaser shall fund on the Series 2017-1 Closing Date that portion of such Series 2017-1 Senior Note not to be funded by such CP Conduit Purchaser; and (ii) thereafter, (A) each Non-Conduit Purchaser shall maintain its Series 2017-1 Senior Note, subject to increase or decrease during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date, in accordance with the provisions of this Supplemental Indenture, (B) if a CP Conduit Purchaser shall have purchased a Series 2017-1 Senior Note on the Series 2017-1 Closing Date, such CP Conduit Purchaser may, in its sole discretion, maintain its Series 2017-1 Senior Note, subject to increase or decrease during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date, in accordance with the provisions of this Supplemental Indenture, and (C) the Group Bank shall maintain its Series 2017-1 Senior Note with respect to its Related Purchaser Group, subject to increase or decrease during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date, in accordance with the provisions of this Supplemental Indenture. Payments by the Non-Conduit Purchasers, the CP Conduit Purchasers and/or the Group Bank with respect to the CP Conduit Purchasers shall be made in immediately available funds on the Series 2017-1 Closing Date in accordance with Section 3.3(d).

(b) ***Maximum Purchaser Group Principal Amounts***. Notwithstanding anything to the contrary contained in this Supplemental Indenture, at no time shall a Purchaser Group be required to make the initial purchase of a Series 2017-1 Senior Note or increase its Purchaser Group Principal Amount if the sum of (x) Purchaser Group Principal Amount with respect to such Purchaser Group, after giving effect to such purchase or increase, and (y) the sum of any unfunded Delayed Amounts with respect to such Purchaser Group, would exceed the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group at such time.

3.2 Delivery

(a) On the Series 2017-1 Closing Date (or on any later date that any Purchaser Group becomes a party to this Supplemental Indenture), Series 2017-1 Senior Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture (i) in the case of a CP Conduit Purchaser Group, in the name of the Funding Agent with respect to such CP Conduit Purchaser Group (or as otherwise requested by such CP Conduit Purchaser Group and agreed to by the Issuer) in an amount equal to the Maximum Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group and delivered to such Funding Agent; or (ii) in the case of a Non-Conduit Purchaser Group, in the name of the Related Non-Conduit Purchaser in an amount equal to the Maximum Purchaser Group Principal Amount with respect to such Related Non-Conduit Purchaser Group and delivered to such Related Non-Conduit Purchaser.

(b) The Administrative Agent shall maintain a record of the actual Purchaser Group Principal Amount outstanding with respect to each Purchaser Group and the actual Series 2017-1 Principal Amount outstanding on any date of determination, which, absent manifest error, shall constitute prima facie evidence of the outstanding Purchaser Group Principal Amounts and outstanding Series 2017-1 Principal Amount from time to time. Upon a written request from the Indenture Trustee, the Administrative Agent shall provide in writing the identity of the Purchaser Groups, the related Funding Agents for each CP Conduit Purchaser Group, the Purchaser Group Principal Amount for each Purchaser Group and the Commitment Percentage with respect to such Purchaser Group to the Indenture Trustee.

3.3 Procedure for Initial Issuance and for Increasing the Series 2017-1 Principal Amount

(a) (i) On any Business Day prior to [**December 15, 2017**], in the case of a Non-Conduit Purchaser Group, the Related Non-Conduit Purchaser hereby agrees, or in the case of a CP Conduit Purchaser Group, the CP Conduit Purchaser in such CP Conduit Purchaser Group may agree, in its sole discretion, and the Group Bank with respect to such CP Conduit Purchaser hereby agrees, that it will purchase a Series 2017-1 Senior Note for an initial purchase price equal to the Commitment Percentage with respect to such Purchaser Group of the Series 2017-1 Initial Principal Amount upon the request of the Issuer (the date on which the initial purchase occurs being referred to as the "**Series 2017-1 Closing Date**"); provided, however, that the Issuer shall have given the Administrative Agent (with a copy to the Indenture Trustee) irrevocable written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Schedule C no later than **[3:00 p.m.]** (Toronto time) on the third Business Day prior to the Series 2017-1 Closing Date. The written notice of the initial purchase of the Series 2017-1 Senior Notes shall state (x) the Series 2017-1 Closing Date, and (y) the initial total purchase price to be paid for the Series 2017-1 Senior Notes (the "**Series 2017-1 Initial Principal Amount**"); and (ii) subject to Section 3.3(e), on any Business Day during the period from the initial purchase of the Series 2017-1 Senior Notes hereunder to and including the Commitment Expiry Date, in the case of a Non-Conduit Purchaser Group, the Related Non-Conduit Purchaser hereby agrees, or in the case of a CP Conduit Purchaser Group, the CP Conduit Purchaser in such CP Conduit Purchaser Group may agree, in its sole discretion, and the Group Bank with respect to such CP Conduit Purchaser hereby agrees that the Purchaser Group Principal Amount with respect to such Purchaser Group may be increased by an amount equal to the Commitment Percentage with respect to such Purchaser Group of the Increase Amount (an

"**Increase**"), upon the request of the Issuer (each date on which an increase in the Series 2017-1 Principal Amount occurs hereunder being herein referred to as the "**Increase Date**" applicable to such Increase); provided, however, that the Issuer shall have given the Administrative Agent (with a copy to the Indenture Trustee) irrevocable (other than as specified in Section 3.3(e)) written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Schedule C (an "**Increase Notice**") no later than **[3:00 p.m.]** (Toronto time) on (A) with respect to a Deferrable Increase Notice, the third Business Day prior to such Increase Date, or (B) with respect to a Non-Deferrable Increase Notice, the second Business Day prior to such Increase Date. Each Increase Notice shall state (x) the Increase Date, (y) the proposed amount of the increase in the Series 2017-1 Principal Amount (an "**Increase Amount**"), (z) whether a Delayed Funding Notice may be delivered in connection with such Increase pursuant to Section 3.3(e) and whether the Increase is to fund a Transfer (a "**Transfer Increase**") or is in respect of a Refinancing (a "**Refinancing Increase**"). The Commitment Percentage with respect to any Purchaser Group of the Increase Amount set forth in any Non-Deferrable Increase Notice shall not exceed such Purchaser Group's Non-Deferrable Draw Amount as of the related Increase Date.

(b) If a CP Conduit Purchaser elects not to fund the full amount of its Commitment Percentage of a requested Increase, such CP Conduit Purchaser shall notify the Administrative Agent and the Funding Agent with respect to such CP Conduit Purchaser, and the Group Bank with respect to such CP Conduit Purchaser shall fund the portion of the Commitment Percentage with respect to such Related Purchaser Group of such Increase not funded by such CP Conduit Purchaser.

(c) No Purchaser Group shall be required to increase its Purchaser Group Principal Amount on any Increase Date hereunder unless:

(i) such Purchaser Group's Commitment Percentage of such Increase Amount is equal to (A) $**[1,000,000]** or more, or (B) if less, the excess of the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group over the Purchaser Group Principal Amount with respect to such Purchaser Group; and

(ii) after giving effect to such Increase Amount, the sum of the (x) the Purchaser Group Principal Amount, and (y) any unfunded Delayed Amounts with respect to such Purchaser Group would not exceed the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group;

(d) Upon receipt of any notice required by Section 3.3(a) or permitted by Section 3.3(e) from the Issuer, the Administrative Agent shall forward (by telecopy or electronic messaging system) a copy of such notice to each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group (or, with respect to any notice pursuant to Section 3.3(e) requiring a Delayed Funding Purchaser Group to decrease its Delayed Amount, the applicable Non-Conduit Purchaser or Funding Agent), no later than **[5:00 p.m.]** (Toronto time) on the day received. After receipt by any Funding Agent with respect to a CP Conduit Purchaser Group of such notice from the Administrative Agent, such Funding Agent shall, so long as the conditions set forth in Sections 3.3(a) and (c) and Article 4 are satisfied, promptly provide telephonic notice to the related CP Conduit Purchaser and the related Group Bank, of the Increase Date and of such CP Conduit Purchaser Group's Commitment Percentage of the Series 2017-1 Closing Date or Increase Amount, as applicable. Subject to Section 3.3(e), if such CP Conduit Purchaser

elects to fund all or a portion of its Commitment Percentage of the Series 2017-1 Initial Principal Amount or the Increase Amount, as applicable, such CP Conduit Purchaser shall pay in immediately available funds its Commitment Percentage (or any portion thereof) of the amount of the Series 2017-1 Initial Principal Amount or Increase Amount, as applicable, on the Series 2017-1 Closing Date or the related Increase Date, as applicable, to the Funding Agent with respect to such CP Conduit Purchaser Group for remittance to the Indenture Trustee for application in accordance with Section 3.3(h). Subject to Section 3.3(e), if such CP Conduit Purchaser does not fund the full amount of the Commitment Percentage of such CP Conduit Purchaser Group of the Series 2017-1 Initial Principal Amount or an Increase Amount, as applicable, and the related Group Bank is required to fund the portion thereof not funded by the CP Conduit Purchaser, such Group Bank shall pay in immediately available funds such portion on the Series 2017-1 Closing Date or the related Increase Date, as applicable, to the Funding Agent with respect to such CP Conduit Purchaser Group. Each Funding Agent shall remit the amounts received by it from its CP Conduit Purchaser or the related Group Bank pursuant to this Section 3.3(d) to the Indenture Trustee for application in accordance with Section 3.3(h). Subject to Section 3.3(e), so long as the conditions set forth in Sections 3.3(a) and (c) and Article 4 are satisfied, each Non-Conduit Purchaser shall pay in immediately available funds the Commitment Percentage of such Non-Conduit Purchaser of the amount of the Series 2017-1 Initial Principal Amount or Increase Amount, as applicable, on the Series 2017-1 Closing Date or the Increase Date, as applicable, to the Indenture Trustee for application in accordance with Section 3.3(h).

(e) Notwithstanding any of the foregoing, any Group Bank or Non-Conduit Purchaser who shall have previously notified the Issuer in writing that it or any related Program Support Provider may, in the absence of the Group Bank or Non-Conduit Purchaser having the ability to deliver Delayed Funding Notices hereunder, incur charges under, or in anticipation of, Basel III (which may include external charges incurred by the Group Bank, Non-Conduit Purchaser or Program Support Provider or internal charges incurred by any of their businesses) in respect of its Commitment hereunder or any agreement to support such Commitment, or in respect of its interest in the Series 2017-1 Senior Notes, based on its "liquidity coverage ratio" calculated under Basel III, may, upon receipt of any Deferrable Increase Notice pursuant to Section 3.3(a), notify the Issuer in writing (a "**Delayed Funding Notice**") on or prior to **[12:00 noon]** (Toronto time) on the second Business Day preceding the related Increase Date, of its intent to fund an amount up to its Commitment Percentage of the related Increase Amount (such amount, subject to any adjustment described below, the "**Delayed Amount**") on a Business Day that is on or before the thirty-third (33rd) day following the Increase Date specified in such Deferrable Increase Notice (the "**Delayed Funding Date**") rather than on such Increase Date. If any Group Bank or Non-Conduit Purchaser provides a Delayed Funding Notice to the Issuer following the Issuer's delivery of an Increase Notice pursuant to Section 3.3(a), the Issuer may with written notice to the Administrative Agent delivered prior to 3:00 pm on the second Business Day preceding such Increase Date, (x) decrease the Increase Amount with respect to such Deferrable Increase Notice (or revoke such Deferrable Increase Notice by decreasing the Increase Amount to zero), and/or (y) require any Group Bank or Non-Conduit Purchaser who has provided a Delayed Funding Notice to reduce the Delayed Amount with respect to such Increase by an amount no greater than the Non-Deferrable Draw Amount with respect to such Purchaser Group as of the related Increase Date. In the event that the Increase Amount with respect to such Deferrable Increase Notice is reduced, but not to zero, then any Delayed Amount with respect to any Purchaser Group shall be reduced on a pro rata basis unless otherwise specified by the Issuer

pursuant to clause (y) above. No Purchaser Group that has provided a Delayed Funding Notice in respect of an Increase (each a "**Delayed Funding Purchaser Group**") shall be considered to be in default of its obligation to fund its Delayed Amount pursuant to this Section 3.3 unless and until it has failed to fund the Delayed Amount (and/or the Delayed Funding Reimbursement Amount with respect to such Delayed Amount) on or before the Delayed Funding Date.

(f) If (i) one or more Delayed Funding Purchaser Groups provides a Delayed Funding Notice to the Issuer in respect of any Increase Date; and (ii) the Issuer shall not have decreased the related Increase Amount to zero or required each such Delayed Funding Purchaser Group to reduce the Delayed Amount with respect to such Increase to zero, in each case, pursuant to Section 3.3(e), the Administrative Agent shall, by no later than **[12:00 noon]** (Toronto time) on the Business Day preceding such Increase Date, direct each Purchaser Group that is not a Delayed Funding Purchaser Group with respect to such Increase Date (each a "**Non-Delayed Funding Purchaser Group**") to fund an additional portion of such Increase Amount on such Increase Date equal to such Non-Delayed Funding Purchaser Group's proportionate share (based upon the Maximum Purchaser Group Principal Amount with respect to such Non-Delayed Funding Purchaser Group relative to the sum of the Maximum Purchaser Group Principal Amounts with respect to all Non-Delayed Funding Purchaser Groups) of the aggregate Delayed Amounts with respect to such Increase Date; provided that no Non-Delayed Funding Purchaser Group shall be required to fund any portion of the aggregate Delayed Amounts that would cause its Purchaser Group Principal Amount to exceed its Maximum Purchaser Group Principal Amount. Subject to Section 3.3(a), in the case of a Non-Delayed Funding Purchaser Group that is a Non-Conduit Purchaser, such Non-Conduit Purchaser hereby agrees, or, in the case of a Non-Delayed Funding Purchaser Group that is a CP Conduit Purchaser Group, the CP Conduit in such CP Conduit Purchaser Group may agree, in its sole discretion, and the Group Bank in such CP Conduit Purchaser Group hereby agrees, to fund such portion of the Increase Amount on such Increase Date.

(g) After the Non-Delayed Funding Purchaser Groups fund a Delayed Amount on any Increase Date in accordance with Section 3.3(f), the Delayed Funding Purchaser Group in respect of such Delayed Amount will be obligated to fund the Delayed Funding Reimbursement Amount with respect to such Delayed Amount on or before its Delayed Funding Date, irrespective of whether the Scheduled Commitment Expiry Date shall have occurred on or prior to such Delayed Funding Date or the Issuer would be able to satisfy the conditions set forth in Section 3.3(c) to an Increase in an amount equal to such Delayed Funding Reimbursement Amount on such Delayed Funding Date. Such Delayed Funding Purchaser Group shall fund such Delayed Funding Reimbursement Amount on such Delayed Funding Date by paying such amount to the Administrative Agent in immediately available funds, and the Administrative Agent shall distribute such funds to each such Non-Delayed Funding Purchaser Group, *pro rata* based on the relative amount of such Delayed Amount funded by such Non-Delayed Funding Purchaser Group on such Increase Date pursuant to Section 3.3(f).

(h) The Indenture Trustee shall apply amounts paid to it pursuant to Section 3.3(d) in the following order of priority:

(i) As to an amount equal to the Series 2017-1 Cash Reserve Required Amount, by deposit to the Series 2017-1 Cash Reserve Account; and

(ii) as to the balance, in respect of the proceeds of the initial purchase of the Series 2017-1 Notes or a Transfer Increase, by application to payment of the purchase price payable by the Issuer to the IESO under the Master Transfer and Servicing Agreement in respect of the related Transfer and, in respect of the proceeds of a Refinancing Increase, by deposit to the Refinancing Account.

3.4 Procedure for Decreasing the Series 2017-1 Principal Amount; Optional Termination

(a) In the case of a Non-Conduit Purchaser Group, the Related Non-Conduit Purchaser hereby agrees, and in the case of a CP Conduit Purchaser Group, each of the CP Conduit Purchasers and the Group Bank in such CP Conduit Purchaser Group hereby agrees, that the Purchaser Group Principal Amount with respect to such Purchaser Group may be decreased by an amount equal to the Commitment Percentage with respect to such Purchaser Group of a Decrease Amount (a "**Decrease**"), upon the request of the Issuer. Each date on which a Decrease in the Series 2017-1 Principal Amount occurs hereunder being herein referred to as the"**Decrease Date**" applicable to such Decrease; provided, however, that the Issuer shall have given the Administrative Agent (with a copy to the Indenture Trustee) irrevocable written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Schedule D (a "**Decrease Notice**") no later than **[3:00 p.m.]** (Toronto time) on the second Business Day prior to such Decrease Date. Each Decrease Notice shall state (x) the Decrease Date, (y) the proposed amount of the decrease in the Series 2017-1 Principal Amount (a "**Decrease Amount**"), and (z) whether the Decrease is being funded with the proceeds of a Refinancing (a "**Refinancing Decrease**") or pursuant to the application of collected Clean Energy Adjustments (a "**CEA Decrease**").

(b) Upon each Decrease, the Administrative Agent shall indicate in its records such Decrease and the Purchaser Group Principal Amount outstanding with respect to each Purchaser Group after giving effect to such Decrease. Upon receipt of any notice required by this Section 3.4(a) from the Issuer, the Administrative Agent shall forward (by telecopy or electronic messaging system) a copy of such notice to each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group, no later than **[1:00 p.m.]** (Toronto time) on the Business Day received.

(c) On any Business Day, the Issuer shall have the right to deliver an irrevocable written notice (an "**Optional Termination Notice**") to the Administrative Agent in which the Issuer declares that the Commitments shall terminate on the date (the "**Optional Termination Date**") set forth in such notice (which date, in any event, shall be a Payment Date not less than twenty Business Days from the date on which such notice is delivered). Upon receipt of any Optional Termination Notice from the Issuer, the Administrative Agent shall promptly notify each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group thereof.

3.5 Increases and Reductions of the Commitments

(a) The Issuer may from time to time request that any Purchaser Group agree to increase its Maximum Purchaser Group Principal Amount. An increase in such amount shall be effective hereunder if such Purchaser Group shall have agreed in its sole discretion to such increase.

(b) On any Business Day, the Issuer may, upon two (2) Business Days' prior written notice to the Administrative Agent (effective upon receipt) (with copies to the Indenture Trustee) reduce the Series 2017-1 Maximum Principal Amount in an amount equal to $**[10,000,000]** or a whole multiple of $**[1,000,000]** in excess thereof; provided that no such termination or reduction shall be permitted if, after giving effect thereto and to any reduction in the Series 2017-1 Principal Amount on such date, the Purchaser Group Principal Amount with respect to any Purchaser Group would exceed the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group then in effect. Any reduction in the Series 2017-1 Maximum Principal Amount shall be made on a pro rata basis to the Maximum Purchaser Group Principal Amounts with respect to the Purchaser Groups, based on the Maximum Purchaser Group Principal Amount with respect to each Purchaser Group. Once reduced, the Maximum Purchaser Group Principal Amounts may not be subsequently reinstated without each such Purchaser Group's prior written consent, which consent shall be granted or not in the sole discretion of such Purchaser Group.

(c) The Issuer may extend the Scheduled Commitment Expiry Date only with the prior written consent of the Administrative Agent, each Non-Conduit Purchaser and each Funding Agent.

3.6 Interest; Fees and Other Amounts

(a) Interest shall be payable on the Series 2017-1 Senior Notes on each Payment Date.

(b) The Issuer shall pay to each CP Conduit Purchaser Group and each Non-Conduit Purchaser, on each Payment Date, a commitment fee with respect to the preceding Billing Period (the "**Commitment Fee**") during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date in an amount equal to the sum of the following amounts calculated for each day during such Billing Period: (x) the Commitment Fee Rate, multiplied by (y) the amount by which Maximum Purchaser Group Principal Amount with respect to such Purchaser Group on such day exceeds the Purchaser Group Principal Amount with respect to such Purchaser Group on such day, and divided by (z) 365. The Commitment Fees shall be payable monthly in arrears on each Payment Date.

(c) The Funding Agent with respect to each CP Conduit Purchaser Group and each Non-Conduit Purchaser shall provide written notice to the Issuer no later than two Business Days prior to each Payment Date, setting forth the Monthly Interest, Fees and Other Amounts with respect to its Related Purchaser Group with respect to the preceding Billing Period.

(d) On each Payment Date, the Monthly Interest, Fees and Other Amounts shall be the amount payable in respect of the Series 2017-1 Notes pursuant to Section 7.04(e)(ii)(A) of the Trust Indenture or Section 8.13(b)(A) of the Trust Indenture, as applicable. On each Payment Date the Indenture Trustee shall, subject to availability of funds, pay to each CP Conduit Purchaser Group and each Non-Conduit Purchaser its Monthly Interest, Fees and Other Amounts with respect to the preceding Billing Period.

(e) If on any Payment Date when distributions of collections are being made under Section 7.04(e)(ii)(A) of the Trust Indenture the amount available to pay Monthly Interest, Fees and Other Amounts under such section is less the Monthly Interest, Fees and Other Amounts, an amount equal to the lesser of (x) such deficiency, and (y) the balance on deposit in the Series

2017-1 Cash Reserve Account shall be withdrawn from the Series 2017-1 Cash Reserve Account and applied to the payment of Monthly Interest, Fees and Other Amounts pursuant to Section 3.6(d).

(f) If the amounts deposited to the Series 2017-1 Distribution Account pursuant to Section 3.6(d) and amounts available pursuant to Section 3.6(e) are insufficient to pay all such amounts in full, the amount available shall be applied in the following order of priority:

(i) Firstly, in respect of Monthly Interest and if insufficient funds are available to pay Monthly Interest in full, to all Purchaser Groups, *pro rata* based on the amount of Monthly Interest owing to each Purchaser Group;

(ii) Secondly, in respect of Commitment Fees and if insufficient funds are available to pay Commitment Fees in full to all Purchaser Groups, *pro rata* based on the amount of Commitment Fees owing to each Purchaser Group; and

(iii) Thirdly, in respect of all other amounts owing to the Purchaser Groups and if insufficient funds are available to pay all other amounts owing in full to all Purchaser Groups, *pro rata* based on the amount of the other amounts owing to each Purchaser Group.

3.7 Repayment of Principal

(a) On each Payment Date, the Payment Date Waterfall Principal Amount shall be the principal amount payable in respect of the Series 2017-1 Senior Notes pursuant to Section 7.04(e)(iii)(A) of the Trust Indenture or Section 8.13(c)(A) of the Trust Indenture, as applicable. On each Payment Date the Indenture Trustee shall, subject to availability of funds, pay to each Non-Conduit Purchaser and each Funding Agent with respect to its Related Purchaser Group, such Purchaser Group's Pro Rata Share of the funds allocated to the Series 2017-1 Senior Notes pursuant to Section 7.04(e)(iii)(A) of the Trust Indenture or Section 8.13(c)(A) of the Trust Indenture, as applicable in repayment of the principal amount of the Series 2017-1 Notes.

(b) If on any Payment Date the amount available to the Purchaser Groups pursuant to Section 7.04(e)(iii)(A) of the Trust Indenture or Section 8.13(c)(A) of the Trust Indenture, as applicable, is less than the Payment Date Waterfall Principal Amount, an amount equal to the lesser of (x) such deficiency, and (y) the balance on deposit in the Series 2017-1 Cash Reserve Account shall be withdrawn from the Series 2017-1 Cash Reserve Account and applied to the repayment of principal amount of the Series 2017-1 Notes.

(c) On each Decrease Date in respect of a Refinancing Decrease Date, the Issuer shall pay to each Non-Conduit Purchaser and each Funding Agent with respect to its Related Purchaser Group, such Purchaser Group's Pro Rata Share of the Decrease Amount.

3.8 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee, the Administrative Agent, each Funding Agent, each CP Conduit Purchaser, the Group Bank, each Non-Conduit Purchaser and each of their respective officers, directors, agents and employees (each, an "**Issuer indemnified person**") from and against any loss, liability, expense, damage or injury suffered or

sustained by such Issuer indemnified person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer indemnified person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 3.8 shall be made solely from funds available pursuant to Section **[7.04]** of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

3.9 Funding Agents

(a) The Funding Agent with respect to each CP Conduit Purchaser Group is hereby authorized to determine the Monthly Interest and Fees with respect to each Billing Period and such CP Conduit Purchaser Group. Any such determination by a Funding Agent, absent manifest error, shall constitute prima facie evidence of the accuracy of the calculation. Furthermore, the Funding Agent with respect to each CP Conduit Purchaser Group will maintain records sufficient to identify the percentage interest of the related CP Conduit Purchaser and the Group Bank with respect to such CP Conduit Purchaser Group holding an interest in the Series 2017-1 Senior Note registered in the name of such Funding Agent and any amounts owing thereunder.

(b) Upon receipt of funds on each Payment Date and the date of any Decrease, each Funding Agent shall pay such funds to the related CP Conduit Purchaser and/or the related Group Bank owed such funds. If a Funding Agent shall have paid to any CP Conduit Purchaser or Group Bank any funds that (i) must be returned for any reason (including bankruptcy); or (ii) exceeds that which such CP Conduit Purchaser or Group Bank was entitled to receive, such amount shall be promptly repaid to such Funding Agent by such CP Conduit Purchaser or Group Bank.

3.10 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (collectively, "**Taxes**"), excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other taxes based on or measured by the net income of the Purchaser (but specifically excluding any taxes required to be withheld under Section 1446 of the *Internal Revenue Code* of 1986 (as amended, the "**Code**")) as a result of a present or former connection between the recipient and the jurisdiction of the governmental authority imposing such tax (other

than any such connection arising solely from the recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); and (ii) any Taxes imposed under FATCA (as defined below) (including in the case of (i) and (ii), any interest, penalties and additions to tax) (all such excluded taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a recipient hereunder, the amounts so payable to the recipient shall be increased, and the recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Where the amount payable by the Issuer is increased in accordance with the previous sentence, the Monthly Interest and Fees shall be increased by the amount of such increase. Whenever any Taxes are payable on or with respect to amounts distributed to a recipient, as promptly as possible thereafter the Issuer shall send to such recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to U.S. federal withholding Tax imposed by provisions of Chapter 4 of the Code ("**FATCA**") if the recipient of such payment were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with their obligations under FATCA and to determine that such recipient has complied with it's obligations under FATCA or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a recipient expires or becomes obsolete or inaccurate in any respect, the recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 3.10(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

3.11 Increased Costs

(a) (i) If any Regulatory Change (x) subjects any Non-Conduit Purchaser, CP Conduit Purchaser, Group Bank Purchaser or any Program Support Party (an "**Affected Person**") to any charge or withholding on or with respect to any Support Facility or this Supplemental Indenture or an Affected Person's obligations under a Support Facility or this Supplemental Indenture, or changes the basis of taxation of payments to any Affected Person of any amounts payable under any Support Facility or this Supplemental Indenture Agreement (except for changes in the rate of tax on the overall net income of an Affected Person or Excluded Taxes) or (y) imposes, modifies or deems applicable any reserve, assessment, fee, tax, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or liabilities of an Affected

Person, or credit extended by an Affected Person pursuant to a Support Facility or this Supplemental Indenture or (z) imposes any other condition the result of which is to increase the cost to an Affected Person of performing its obligations under a Support Facility or this Supplemental Indenture, or to reduce the rate of return on an Affected Person's capital or assets as a consequence of its obligations under a Support Facility or this Supplemental Indenture, or to reduce the amount of any sum received or receivable by an Affected Person under a Support Facility or this Supplemental Indenture, or to require any payment calculated by reference to the amount of interests or loans held or interest received by it, then, upon written request by such Affected Party (through the Funding Agent for its Purchaser Group if the Affected Party is a Program Support Provider, CP Conduit Purchaser or Group Bank) of a written request therefore to the Issuer, such Affected Party (through the Funding Agent for its Purchaser Group if the Affected Party is a Program Support Provider, CP Conduit Purchaser or Group Bank) shall be entitled to be paid, such amounts charged to such Affected Party or such amounts to otherwise compensate such Affected for such increased cost or such reduction, no later than the Payment Date following receipt by the Issuer of such request for compensation under this Section 3.11(a)(i), if such request is received by the Issuer no later than five (5) Business Days prior to the end of the Billing Period related to such Payment Date, and otherwise on the following Payment Date.

(ii) The Issuer acknowledges that any Affected Party may implement, as an internal institutional matter, measures in anticipation of a final or proposed Regulatory Change (including, without limitation, the imposition of internal charges on such Affected Party's interest or obligations under any Support Agreement or this Supplemental Indenture) and may commence recognizing the incurrence of charges by and seeking compensation under Section 3.11(a)(i) in connection with such measures, in advance of the effective date of such final or proposed Regulatory Change, and the Issuer agrees that such charges or compensation shall be payable, to the related Funding Agent, for the benefit of Affected Party, following demand therefor without regard to whether such proposed Regulatory Change has been adopted or whether such effective date has occurred; provided, that (I) the Affected Party shall provide sixty (60) days prior written notice to the Issuer of its intent to impose or incur any such charges or compensation, (II) an Affected Party shall not be compensated for any such amount pursuant to this subsection 3.11(a)(ii) relating to any period ending, and of which such Affected Party has had knowledge, more than ninety (90) days prior to the date that such Affected Party provided the Issuer with the written notice contemplated by the preceding clause (I) of this subsection 3.11(a)(ii), (III) if, after the payment by the Trust of any charges or compensation pursuant to this subsection 3.11(a)(ii), either (A) the Issuer requests in writing that the applicable Affected Party recompute any such charge or compensation in light of differences between a proposed Regulatory Change and the final effective version thereof or (B) the applicable Affected Party determines that the amount of the charge imposed on and required to be compensated by the Issuer exceeds the amount necessary to compensate it for the applicable Regulatory Change as contemplated by subsection 3.11(a)(i), then (x) the amount of such charge or compensation shall, from and after such determination, be reduced by the amount of such excess and (y) such Affected Party shall, within thirty (30) days of such determination, either repay the amount of such excess or credit the amount of such excess against future charges under this subsection 3.11(a)(ii). The Issuer further acknowledges that any charge or compensation demanded hereunder may take the form of a monthly charge to be assessed by such Affected Party.

(b) Each Affected Party claiming increased amounts described in subsection 3.11(a) of this Supplemental Indenture will furnish to the Issuer (together with its request for compensation) a certificate prepared in good faith setting forth the basis and the calculation of the amount (in reasonable detail) of each request by such Affected Party for any such increased amounts referred to in subsection 3.11(a) hereof. Any such certificate shall be conclusive absent manifest error. Failure on the part of any Affected Party to demand compensation for any amount pursuant to subsection 3.11(a) hereof with respect to any period shall not constitute a waiver of such Affected Party's right to demand compensation with respect to such period.

ARTICLE 4
CONDITIONS PRECEDENT

4.1 Conditions Precedent to Initial Purchase of Series 2017-1 Senior Notes

On or prior to the initial purchase of Series 2017-1 Senior Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The Administrative Agent and each of the Funding Agents shall have received:

(i) executed copies of the Fee Letter, this Supplemental Indenture, the Manager Indemnity and copies of each of the other Program Agreements certified by an Authorized Officer of the Manager;

(ii) evidence that each of the Issuer Trustee, the IESO and the Manager is validly existing pursuant to the laws of the jurisdiction of their respective establishment or incorporation;

(iii) a copy of the incorporating documents and all amendments thereto and applicable by-laws of each of the Issuer Trustee, the IESO and the Manager certified by an Authorized Officer of the applicable entity;

(iv) a copy of the Declaration of Trust certified by an Authorized Officer of the Manager;

(v) copies of resolutions of the board of directors of the IESO and the Manager approving and authorizing the execution, delivery and performance of each Program Agreement they are party to, in each case certified by an Authorized Officer of the applicable entity;

(vi) incumbency certificates for each of the Issuer Trustee, the Manager and the IESO executing this Supplemental Indenture and any other Program Agreements and the other documents to be delivered by either the Issuer Trustee, the Manager or the IESO thereunder, in each case showing their names, offices and specimen signatures on which certificates the Administrative Agent and the Purchaser Groups shall be entitled to conclusively rely until such time as the Administrative

Agent and the Funding Agents receive a replacement certificate meeting the requirements of this Section 4.1(b)(vi);

(vii) the following Opinions of Counsel:

(A) the opinion of external counsel to the Manager as to the non-consolidation of the Issuer with the Manager in the event of the insolvency of the Manager in form and substance satisfactory to the Administrative Agent and the Funding Agents;

(B) the opinion of external counsel to the IESO as to the Investment Asset acquired by the Issuer not being subject to the claims of creditors of the IESO in form and substance satisfactory to the Administrative Agent and the Funding Agents;

(C) favourable opinions of external counsel to the Manager covering general corporate matters, the due execution and delivery of, and the enforceability of, each of the Program Agreements to which the Manager, the Issuer and the Issuer Trustee are party which opinion, as to certain matters, may rely on opinion of internal counsel to the Manager and the Issuer Trustee; and

(D) a favourable opinion of external counsel to the Province with respect to the due authorization, execution, delivery and enforceability of the Provincial Protection and Assurances Agreement in form and substance satisfactory to the Administration Agent and the Funding Agents;

(viii) a certificate of an Authorized Officer of the Manager confirming that the representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 6.1 of this Supplemental Indenture are true and correct in all material respects, that the Issuer is in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party and that no Termination Event has occurred; and

(ix) such additional documents, instruments, certificates or letters as the Administrative Agent or any Funding Agent may reasonably request.

(c) The Series 2017-1 Cash Reserve Account shall have been established.

(d) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 6.1 of this Supplemental Indenture shall be true and correct in all material respects, the Issuer shall be compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party and no Termination Event shall have occurred.

(e) The Series 2017-1 Senior Notes shall have been duly issued in accordance with the Trust Indenture and each Funding Agent and Non-Conduit Purchaser shall have received its Series 2017-1 Senior Note registered in its name or a nominee in a face amount equal to its Maximum Purchaser Group Principal Amount.

(f) An amount equal to the Series 2017-1 Cash Reserve Required Amount shall have been deposited to the Series 2017-1 Cash Reserve Account.

(g) After giving effect to the purchase, the covenant of the Issuer in Section 7.1(d) will be satisfied.

(h) All fees payable on or before the Series 2017-1 Closing Date pursuant to the Fee Letter shall have been paid in full.

(i) The Rating Agency Condition shall have been satisfied in respect of the initial purchase.

4.2 Conditions Precedent to Each Increase under Series 2017-1 Senior Notes

On or prior to each Increase, the following conditions precedent shall be satisfied:

(a) the Administrative Agent shall have received an Increase Notice;

(b) no Termination Event shall have occurred or would occur after giving effect to such Increase;

(c) the Increase Date in respect of the Increase is prior to the Commitment Expiry Date;

(d) if the Increase is identified as a Transfer Increase in the Increase Notice, then the related Transfer under the Master Transfer and Servicing Agreement shall have been completed.

(e) after giving effect to the Increase, the covenant of the Issuer in Section 7.1(d) will be satisfied.

The Issuer's acceptance of funds in connection with each Increase occurring on any Increase Date shall constitute a representation and warranty by the Issuer to the Administrative Agent and the Purchaser Groups as of such Increase Date that all of the conditions contained in Section 3.3(a) and this Section 4.2 are satisfied.

ARTICLE 5
ESTABLISHMENT OF ACCOUNTS

5.1 Establishment of Series 2017-1 Cash Reserve Account

On or before the Series 2017-1 Closing Date, the Issuer shall cause to be established and maintained an Eligible Deposit Account (the "**Series 2017-1 Cash Reserve Account**") in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the Series 2017-1 Specified Creditors. The Series 2017-1 Cash Reserve Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the Series 2017-1 Specified Creditors. If, at any time, the institution holding the Series 2017-1 Cash Reserve Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 calendar days (or such longer period, not to exceed 45 calendar days, so long as the Rating Agency Condition is satisfied) establish a new Series 2017-1 Cash Reserve Account that is an Eligible Deposit Account and shall transfer any funds or other property from such

Series 2017-1 Cash Reserve Account to such new Series 2017-1 Cash Reserve Account. From the date each such new Series 2017-1 Cash Reserve Account is established, it shall be the "Series 2017-1 Cash Reserve Account." The Series 2017-1 Cash Reserve Account is a Finance Reserve Account for the purposes of the Trust Indenture.

5.2 Series Account

The Series 2017-1 Cash Reserve Account is established solely for the benefit of the Series 2017-1 Notes and the holders thereof.

5.3 Waterfall Deposits to Series 2017-1 Cash Reserve Account

On each Payment Date when distributions of collections are being made under Section 7.04(e) of the Trust Indenture, the Paying Agent shall deposit to the Series 2017-1 Cash Reserve Account an amount equal to the Cash Reserve Required Deposit Amount pursuant to Section 7.04(e)(iv) of the Trust Indenture.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Administrative Agent and the Purchaser Groups as of the Series 2017-1 Closing Date, and shall be deemed to represent and warrant to the Administrative Agent and the Purchaser Groups on each Increase Date, that:

(a) no Termination Event has occurred or would result from the initial purchase of the Issuer Investment Interest on the Series 2017-1 Closing Date or any increase in the Issuer Investment Interest on an Increase Date, as applicable;

(b) the Issuer Trustee and the Issuer are not non-residents of Canada within the meaning of the *Income Tax Act* (Canada);

(c) all tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name and the Declaration of Trust has neither been amended nor rescinded other than as consented to by the holders of the Series 2017-1 Senior Notes;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest;

(f) all information provided to the Administrative Agent and the Purchaser Groups by or on behalf of the Issuer in respect of the Issuer Investment Interest is and will be true and accurate in all material respects;

(g) there has been no material adverse change in the condition (financial or otherwise), business, operations, results of operations, or the property of the Issuer; and

(h) the Issuer does not own or hold, directly or indirectly, any shares or equity security of, or any equity interest in, any Person.

6.2 Representations and Warranties of the Purchasers

Each Purchaser represents and warrants to the Issuer as of the Series 2017-1 Closing Date, and shall be deemed to represent and warrant to the Issuer on each Increase Date, that:

(a) it is resident in Ontario or is otherwise subject to the securities legislation of the Province of Ontario;

(b) it is purchasing the applicable Series 2017-1 Senior Notes (i) as principal for its own account and not for the benefit of any other "person" (as defined in the *Securities Act* (Ontario)) or company; and (ii) for cash consideration in excess of $150,000; and

(c) it was not created and is not being used solely to purchase or hold securities in reliance on the exemption from the prospectus and dealer registration requirements contained in Section 2.10 of National Instrument 45-106 − Prospectus and Registration Exemptions.

6.3 Survival

The representations and warranties set out in this Article 4 shall survive the execution hereof.

ARTICLE 7
COVENANTS

7.1 Covenants of the Issuer

(a) The Issuer shall provide to the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser (in multiple copies if requested) as soon as possible, copies of all reports, notices, financial statements and other documents delivered by the IESO to the Issuer with respect to the Issuer Investment Interest or pursuant to the Master Transfer and Servicing Agreement.

(b) The Issuer shall provide to the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser (in multiple copies, if requested) such other information, documents, records or reports respecting the Issuer Investment Interest, the Issuer or the IESO which is in the possession or under the control of the Issuer or the Manager as the Administrative Agent, a Funding Agent or a Non-Conduit Purchaser may from time to time reasonably request.

(c) The Issuer shall furnish to the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser promptly after known to the Issuer or the Manager, information with respect to any action, suit or proceeding involving the Manager, the Issuer or the IESO or any of their respective Affiliates by or before any court or any Governmental Authority which, if adversely determined, would have a material and adverse effect on such party or the transactions contemplated by, or such party's ability to perform its obligations under, this Supplemental Indenture or the other Program Agreements.

(d) The Issuer will, at all time, cause the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be not less than [**49**]% of the aggregate outstanding principal amount of all Issuer Funding Obligations.

(e) The Issuer will not make any amendments to the agreements governing any outstanding Subordinated Funding Obligations or Junior Subordinated Funding Obligations without the prior written consent of the Requisite Series 2017-1 Noteholders.

(f) The Issuer confirms that this Supplemental Indenture is a Warehouse Facility Agreement. The Issuer will not enter into any other Warehouse Facility Agreement creating Senior Funding Obligations without the prior written consent of the Requisite Series 2017-1 Noteholders unless the Commitment Expiry Date has occurred.

ARTICLE 8
AGENTS

8.1 Administrative Agent

(a) Each of the Non-Conduit Purchasers, CP Conduit Purchasers, the Group Banks and the Funding Agents hereby irrevocably designates and appoints the Administrative Agent as the agent of such Person under this Supplemental Indenture and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Supplemental Indenture and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Supplemental Indenture, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Supplemental Indenture, the Administrative Agent shall not have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any Non-Conduit Purchaser, any CP Conduit Purchaser, any Group Bank or any Funding Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Supplemental Indenture or otherwise exist against the Administrative Agent.

(b) The Administrative Agent may execute any of its duties under this Supplemental Indenture by or through agents or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(c) Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Trust Indenture, this Supplemental Indenture or any other Program Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks or the Funding Agents for any recitals, statements, representations or warranties made by the Issuer, the IESO, the Manager or any officer thereof contained in this Supplemental Indenture or any other Program Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this

Supplemental Indenture or any other Program Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Supplemental Indenture, any other Program Agreement, or for any failure of any of the Issuer, the Manager or the IESO to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Non-Conduit Purchaser, any CP Conduit Purchaser, any Group Bank or any Funding Agent to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Supplemental Indenture, any other Program Agreement or to inspect the properties, books or records of the Issuer, the Manager or the IESO.

(d) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter or telecopy message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Issuer, the Manager or the IESO), independent accountants and other experts selected by the Administrative Agent.

(e) The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Termination Event unless the Administrative Agent has received written notice from a Non-Conduit Purchaser, a CP Conduit Purchaser, a Group Bank, a Funding Agent, the Issuer or the Manager referring to the Trust Indenture or this Supplemental Indenture, describing such Termination Event and stating that such notice is a "notice of a Termination Event". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Non-Conduit Purchasers, the Funding Agents, the Issuer Trustee and the Manager.

(f) Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Issuer, the Manager or the IESO shall be deemed to constitute any representation or warranty by the Administrative Agent to any such Person. Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Non-Conduit Purchaser, CP Conduit Purchaser, Group Bank or Funding Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Issuer, the Manager and the IESO and made its own decision to enter into this Supplemental Indenture. Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents also represents that it will, independently and without reliance upon the Administrative Agent or any other Non-Conduit Purchaser, CP Conduit Purchaser, Group Bank or Funding Agent, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Supplemental Indenture and the other Program Agreements, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Issuer, the Manager and the IESO. Except for notices, reports and other documents expressly required to be furnished to the Non-Conduit Purchasers and the Funding Agents by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to

provide any Non-Conduit Purchaser, any CP Conduit Purchaser, any Group Bank or any Funding Agent with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Issuer, the Manager or the IESO which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys in fact or Affiliates.

(g) The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Issuer, the Manager and the IESO as though the Administrative Agent were not the Administrative Agent hereunder. With respect to any Series 2017-1 Senior Note held by the Administrative Agent, the Administrative Agent shall have the same rights and powers under this Supplemental Indenture and the other Program Agreements as any Group Bank or Funding Agent and may exercise the same as though it were not the Administrative Agent, and the terms "Group Bank," and "Funding Agent" shall include the Administrative Agent in its individual capacity.

(h) The Administrative Agent may resign as Administrative Agent at any time by giving 30 days' notice to the Non-Conduit Purchasers, the Funding Agents, the Indenture Trustee, the Issuer and the Manager. If ● shall resign as Administrative Agent under this Supplemental Indenture, then the Requisite Series 2017-1 Noteholders shall appoint a successor administrative agent from among the Non-Conduit Purchasers and Funding Agents, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Supplemental Indenture. If no successor administrative agent has accepted appointment as Administrative Agent prior to the effective date of the resignation of the Administrative Agent, the retiring Administrative Agent may appoint, after consulting with the Non-Conduit Purchasers and the Funding Agents, a successor Administrative Agent from among the Non-Conduit Purchasers and the Funding Agents. If no successor administrative agent has accepted appointment by the date which is thirty (30) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and Manager shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Requisite Series 2017-1 Noteholders appoint a successor administrative agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Supplemental Indenture.

8.2 Funding Agents

(a) Each CP Conduit Purchaser and each Group Bank with respect to such CP Conduit Purchaser hereby irrevocably designates and appoints the Funding Agent set forth next to such CP Conduit Purchaser's name on Schedule E as the agent of such Person under this Supplemental Indenture and irrevocably authorizes such Funding Agent, in such capacity, to take such action on its behalf under the provisions of this Supplemental Indenture and to exercise such powers and perform such duties as are expressly delegated to such Funding Agent by the terms of this Supplemental Indenture, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Supplemental Indenture, each Funding Agent shall not have any duties or responsibilities except those

expressly set forth herein, or any fiduciary relationship with any CP Conduit Purchaser or Group Bank and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Supplemental Indenture or otherwise exist against each Funding Agent.

(b) Each Funding Agent may execute any of its duties under this Supplemental Indenture by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Each Funding Agent shall not be responsible to the CP Conduit Purchaser or any Group Bank in its CP Conduit Purchaser Group for the negligence or misconduct of any agents or attorneys in fact selected by it with reasonable care.

(c) Each Funding Agent and any of its officers, directors, employees, agents, attorneys in fact or Affiliates shall not be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Trust Indenture, this Supplemental Indenture or any other Program Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the CP Conduit Purchasers and/or Group Banks for any recitals, statements, representations or warranties made by the Issuer, the Manager or the IESO, or any officer thereof contained in this Supplemental Indenture or any other Program Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by such Funding Agent under or in connection with, this Supplemental Indenture or any other Program Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Supplemental Indenture, any other Program Agreement, or for any failure of any of the Issuer, the Manager or the IESO to perform its obligations hereunder or thereunder. Each Funding Agent shall not be under any obligation to the CP Conduit Purchaser or any Group Bank in its CP Conduit Purchaser Group to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Supplemental Indenture, any other Program Agreement or to inspect the properties, books or records of the Issuer, the Manager or the IESO.

(d) Each Funding Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter or telecopy message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Issuer, the Manager or the IESO), independent accountants and other experts selected by such Funding Agent. Each Funding Agent shall be fully justified in failing or refusing to take any action under this Supplemental Indenture or any other Program Agreement unless it shall first receive such advice or concurrence of the Related Purchaser Group, as it deems appropriate or it shall first be indemnified to its satisfaction by the Related Purchaser Group against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

(e) Each Funding Agent shall not be deemed to have knowledge or notice of the occurrence of any Termination Event unless such Funding Agent has received written notice from a Non-Conduit Purchaser, a CP Conduit Purchaser, a Group Bank, the Issuer, the Manager or the Administrative Agent referring to the Trust Indenture or this Supplemental Indenture, describing such Termination Event and stating that such notice is a "notice of a Termination Event," as the case may be. In the event that any Funding Agent receives such a notice, such Funding Agent shall give notice thereof to the CP Conduit Purchaser and Group Bank in its CP Conduit Purchaser Group. Such Funding Agent shall take such action with respect to such event as shall

be reasonably directed by the CP Conduit Purchaser and Group Bank in its CP Conduit Purchaser Group, provided that unless and until such Funding Agent shall have received such directions, such Funding Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such event as it shall deem advisable in the best interests of the CP Conduit Purchaser and Group Bank in its CP Conduit Purchaser Group.

(f) Each CP Conduit Purchaser and each of the related Group Banks expressly acknowledge that neither its Funding Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates has made any representations or warranties to it and that no act by such Funding Agent hereinafter taken, including any review of the affairs of the Issuer, the Manager or the IESO shall be deemed to constitute any representation or warranty by such Funding Agent to any such Person. Each CP Conduit Purchaser and each of the related Group Banks represents to its Funding Agent that it has, independently and without reliance upon such Funding Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Issuer, the Manager and the IESO and made its own decision to enter into this Supplemental Indenture. Each CP Conduit Purchaser and each of the related Group Banks also represents that it will, independently and without reliance upon its Funding Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Supplemental Indenture and the other Program Agreements, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other conditions and creditworthiness of the Issuer, the Manager and the IESO.

(g) Each Group Bank in a CP Conduit Purchaser Group agrees to indemnify its Funding Agent in its capacity as such (to the extent not reimbursed by the Issuer and without limiting the obligation of the Issuer to do so), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time be imposed on, incurred by or asserted against such Funding Agent in any way relating to or arising out of this Supplemental Indenture, any of the other Program Agreements or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Funding Agent under or in connection with any of the foregoing; provided that no Group Bank shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such related Funding Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of all amounts payable hereunder.

ARTICLE 9
GENERAL

9.1 Successor and Assigns

(a) This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that (i) the Issuer may not assign or transfer any of its rights under this Supplemental Indenture without the prior written consent of all of the Series 2017-1 Noteholders; (ii) no Non-Conduit Purchaser may assign or transfer any of its rights under this Supplemental Indenture other than pursuant to paragraph (e) or (f) below;

(iii) no CP Conduit Purchaser may assign or transfer any of its rights under this Supplemental Indenture other than to the Group Bank with respect to such CP Conduit Purchaser or a Program Support Provider with respect to such CP Conduit Purchaser or pursuant to clause (b) or (e) below of this Section 9.1; and (iv) no Group Bank may assign or transfer any of its rights or obligations under this Supplemental Indenture except to a Program Support Provider or pursuant to clause (c), (d) or (e) below of this Section 9.1.

(b) Without limiting the foregoing, each CP Conduit Purchaser may assign all or a portion of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser and its rights and obligations under this Supplemental Indenture to a Conduit Assignee with respect to such CP Conduit Purchaser. Prior to or concurrently with the effectiveness of any such assignment (or if impracticable, immediately thereafter), the assigning CP Conduit Purchaser shall notify the Administrative Agent and the Issuer. Upon such assignment by a CP Conduit Purchaser to a Conduit Assignee, (i) such Conduit Assignee shall be the owner of the Purchaser Group Principal Amount or such portion thereof with respect to such CP Conduit Purchaser; (ii) the related administrative or managing agent for such Conduit Assignee will act as the administrative agent for such Conduit Assignee hereunder, with all corresponding rights and powers, express or implied, granted to the Funding Agent hereunder; (iii) such Conduit Assignee and its liquidity support provider(s) and credit support provider(s) and other related parties shall have the benefit of all the rights and protections provided to such CP Conduit Purchaser herein (including, without limitation, any limitation on recourse against such Conduit Assignee as provided in this paragraph); (iv) such Conduit Assignee shall assume all of such CP Conduit Purchaser's obligations, if any, hereunder with respect to such portion of the Purchaser Group Principal Amount and such CP Conduit Purchaser shall be released from such obligations; (v) all distributions in respect of the Purchaser Group Principal Amount or such portion thereof with respect to such CP Conduit Purchaser shall be made to the applicable agent or administrative agent, as applicable, on behalf of such Conduit Assignee; and (vi) if requested by the Administrative Agent or the agent or administrative agent with respect to the Conduit Assignee, the parties will execute and deliver such further agreements and documents and take such other actions as the Administrative Agent or such agent or administrative agent may reasonably request to evidence and give effect to the foregoing. No assignment by any CP Conduit Purchaser to a Conduit Assignee of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser shall in any way diminish the obligations of the Group Bank with respect to such CP Conduit Purchaser under Section 3.3 to fund any Increase.

(c) Any Group Bank may, in the ordinary course of its business and in accordance with applicable law, at any time sell all or any part of its rights and obligations under this Supplemental Indenture and the Series 2017-1 Senior Notes, with the prior written consent of the Administrative Agent and the Issuer (in each case, which consent shall not be unreasonably withheld), to one or more banks (an "**Acquiring Group Bank**") pursuant to a transfer supplement, substantially in the form of Exhibit H (the "**Transfer Supplement**"), executed by such Acquiring Group Bank, such assigning Group Bank, the Funding Agent with respect to such Group Bank, the Administrative Agent and the Issuer and delivered to the Administrative Agent. Notwithstanding the foregoing, no Group Bank shall so sell its rights hereunder if such Acquiring Group Bank is not an Eligible Assignee.

(d) Any Group Bank may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more financial institutions or other entities ("**Group**

Bank Participants") participations in its Commitment Amount with respect to its related CP Conduit Purchaser Group, its Series 2017-1 Senior Note and its rights hereunder pursuant to documentation in form and substance satisfactory to such Group Bank and the Group Bank Participant; provided, however, that (i) in the event of any such sale by a Group Bank to a Group Bank Participant, (A) such Group Bank's obligations under this Supplemental Indenture shall remain unchanged, (B) such Group Bank shall remain solely responsible for the performance thereof, and (C) the Issuer and the Administrative Agent shall continue to deal solely and directly with such Group Bank in connection with its rights and obligations under this Supplemental Indenture; and (ii) no Group Bank shall sell any participating interest under which the Group Bank Participant shall have rights to approve any amendment to, or any consent or waiver with respect to, this Supplemental Indenture, the Trust Indenture or any Program Agreement, except to the extent that the approval of such amendment, consent or waiver otherwise would require the unanimous consent of all Group Banks hereunder. A Group Bank Participant shall have the right to receive compensation pursuant to Section 3.11 but only to the extent that the related selling Group Bank would have had such right absent the sale of the related participation and, with respect to amounts due pursuant to Section 3.11, only to the extent such Group Bank Participant shall have complied with the provisions of Section 3.11 as if such Group Bank Participant were a Group Bank.

(e) Any CP Conduit Purchaser and the Group Bank with respect to such CP Conduit Purchaser may at any time sell all or any part of their respective rights and obligations, and any Non-Conduit Purchaser may at any time sell all or any part of its rights and obligations, under this Supplemental Indenture and the Series 2017-1 Senior Notes, with the prior written consent of the Administrative Agent and the Issuer (in each case, which consent shall not be unreasonably withheld), (x) to a multi-seller commercial paper conduit and one or more banks providing support to such multi-seller commercial paper conduit, or (y) to a financial institution or other entity (an "**Acquiring Purchaser Group**") pursuant to a transfer supplement, substantially in the form of Exhibit I (the "**Purchaser Group Supplement**"), executed by such Acquiring Purchaser Group (including the CP Conduit Purchaser and the Group Banks, if any, with respect to such Acquiring Purchaser Group), the Funding Agent, if any, with respect to such Acquiring Purchaser Group, such assigning Purchaser Group (including the Group Banks, if any, with respect to such assigning Purchaser Group), the Funding Agent, if any, with respect to such assigning Purchaser Group and the Administrative Agent and the Issuer and delivered to the Administrative Agent.

(f) Any Non-Conduit Purchaser may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more financial institutions or other entities ("**Non-Conduit Purchaser Participants**") participations in its Commitment, its Series 2017-1 Senior Note and its rights hereunder pursuant to documentation in form and substance satisfactory to such Non-Conduit Purchaser and the Non-Conduit Purchaser Participant; provided, however, that (i) in the event of any such sale by a Non-Conduit Purchaser to a Non-Conduit Purchaser Participant, (A) such Non-Conduit Purchaser's obligations under this Supplemental Indenture shall remain unchanged, (B) such Non-Conduit Purchaser shall remain solely responsible for the performance thereof, and (C) the Issuer and the Administrative Agent shall continue to deal solely and directly with such Non-Conduit Purchaser in connection with its rights and obligations under this Supplemental Indenture; and (ii) no Non-Conduit Purchaser shall sell any participating interest under which the Non-Conduit Purchaser Participant shall have rights to approve any amendment to, or any consent or waiver with respect to, this Supplemental

Indenture, the Trust Indenture or any Program Agreement, except to the extent that the approval of such amendment, consent or waiver otherwise would require the unanimous consent of all Series 2017-1 Noteholders hereunder. A Non-Conduit Purchaser Participant shall have the right to receive compensation under Section 3.11 but only to the extent that the related selling Non-Conduit Purchaser would have had such right absent the sale of the related participation and, with respect to amounts due pursuant to Section 3.11, only to the extent such Non-Conduit Purchaser Participant shall have complied with the provisions of Section 3.11 as if such Non-Conduit Purchaser Participant were a Non-Conduit Purchaser.

(g) The Issuer authorizes each Group Bank and Non-Conduit Purchaser to disclose to any Group Bank Participant, Acquiring Group Bank, Non-Conduit Purchaser Participant or Acquiring Purchaser Group (each, a "**Transferee**") and any prospective Transferee any and all financial information in such Group Bank's or Non-Conduit Purchaser's possession concerning the Issuer, the Issuer Investment Asset and the Program Agreements which has been delivered to such Group Bank by the Issuer or the Manager in connection with such Group Bank's credit evaluation of the Issuer and the Issuer Investment Asset.

(h) Notwithstanding any other provision of this Supplemental Indenture to the contrary, any Non-Conduit Purchaser, any Group Bank or any Program Support Provider may at any time pledge or grant a security interest in all or any portion of its rights under its Series 2017-1 Senior Note and this Supplemental Indenture to secure obligations of such Non-Conduit Purchaser, such Group Bank or such Program Support Provider to a Federal Reserve Bank or the Bank of Canada, without notice to or consent of the Administrative Agent, the Issuer or the Administrator; provided that no such pledge or grant of a security interest shall release a Non-Conduit Purchaser or an Group Bank from any of its obligations hereunder or substitute any such pledgee or grantee for such Non-Conduit Purchaser or such Group Bank as a party hereto.

9.2 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture which shall be applicable to this Supplemental Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2017-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2017-1 Noteholders.

9.3 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given (a) in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 16 of the Trust Indenture; and (b) in the case of the Administrative Agent, the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents, in writing, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand or three days after being deposited in the mail, postage prepaid, in the case of facsimile notice, when received, or in the case of overnight air courier, one Business Day after the date such notice is delivered to such overnight courier, addressed as follows in the case of the Administrative Agent and to the addresses therefor set forth in Schedule E, in the case of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group

Banks and the Funding Agents; or to such other address as may be hereafter notified by the respective parties hereto:

Administrative Agent:

●

9.4 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

9.5 Entire Agreement

This Supplemental Indenture, the Fee Letter, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Fee Letter, the Trust Indenture and the other Program Agreements.

9.6 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

9.7 Acknowledgment of Trust Indenture and No Proceedings

The Administrative Agent, each Non-Conduit Purchaser, each CP Conduit Purchaser, each Group Bank and each Funding Agent hereby acknowledges and agrees in favour of the Indenture Trustee that it is a Specified Creditor under the Trust Indenture and its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.06 (Payments Held in Trust), Section 8.12 (Limitation on Suits), Sections 7.04 and 8.13 (Payment Priorities), Section 8.15 (Limited Recourse) and Section 17.01 (No Petition).

9.8 Expenses

The Issuer agrees to pay on demand (a) to the Indenture Trustee, the Administrative Agent and the Purchaser Groups all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture and the other documents to be delivered hereunder or in connection herewith, including, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent and the Purchaser Groups, with respect thereto, and the reasonable fees and out-of-pocket expenses incurred by the CP Conduit Purchasers in connection

with the review by each rating agency then rating the Commercial Paper of such CP Conduit Purchaser of the transactions contemplated by this Supplemental Indenture and the Program Agreements; (b) to the Indenture Trustee, the Administrative Agent and each Purchaser Group all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and the reasonable fees and out-of-pocket expenses incurred by the CP Conduit Purchasers in connection with the review by any rating agency then rating the Commercial Paper of such CP Conduit Purchasers; and (c) to the Indenture Trustee, the Administrative Agent and each Purchaser Group, on demand, all reasonable costs and expenses (including reasonable fees and expenses of counsel to the Administrative Agent and each Purchaser Group), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

9.9 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

9.10 Confidentiality

(a) Each Purchaser Group and the Administrative Agent covenants and agrees that any Nonpublic Information (as defined herein) obtained by it pursuant to this Supplemental Indenture and the other Program Agreements shall be held in confidence except that the Purchaser Groups or Administrative Agent may disclose such information (i) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding (whether or not having the force or effect of law) provided that, unless prohibited by applicable law, a Purchaser Group or the Administrative Agent, as applicable, shall provide prompt notice of such order to the affected party; (ii) upon the request or demand of any regulatory authority having or claiming jurisdiction over any Purchaser Group or the Administrative Agent; (iii) as required by applicable law; (iv) to the extent that such information becomes publicly available other than by reason of improper disclosure by a Purchaser Group or the Administrative Agent; (v) to its affiliates, officers, directors, employees, legal counsel, independent auditors, accountants, advisors, investors, potential investors, commercial paper dealers, providers of surety, guaranty, credit or liquidity enhancement (including the directors, officers and accountants of such surety, guaranty, credit or liquidity enhancement provider), legal counsel of any of the foregoing and other experts or agents who need to know such information and are informed of the confidential nature of such information (provided that the Persons permitted to make such disclosures under clauses (i), (ii) and (iii) of this Section 9.10 shall also include credit or liquidity enhancers of a CP Conduit Purchaser); (vi) for purposes of establishing a "due diligence" defense; (vii) which was available to a Purchaser Group or the Administrative Agent on a non-confidential basis from a source other than the affected party, provided that such source was not to the knowledge of the Purchaser Group or the Administrative Agent, as applicable, bound by a confidentiality agreement with the affected party; (viii) has been independently acquired or developed by a Purchaser Group or the Administrative Agent without violating any of the Purchaser Group's or the Administrative Agent's obligations under this Supplemental Indenture; (ix) if such disclosure

has been approved in writing in advance by the Issuer or the Manager; or (x) regarding the existence of this Supplemental Indenture, but not the financial terms thereof.

(b) The Issuer covenants and agrees to hold in confidence, and not disclose to any Person, the terms of this Supplemental Indenture (including any fees payable in connection with this Supplemental Indenture or the identity of any CP Conduit Purchaser under this Supplemental Indenture), except as the applicable Purchaser Group may have consented to in writing prior to any proposed disclosure and except (i) it may also disclose such information (A) to its officers, employees, agents and legal advisors who are directly involved in the consideration of this Supplemental Indenture (and then only on a confidential basis), (B) as required by applicable law or compulsory legal process, and (C) as expressly permitted by the terms of the Program Agreements; provided, that, in the case of clause (B), the Issuer will use all reasonable efforts to maintain confidentiality and will (unless otherwise prohibited by law) notify the affected Administrative Agent or Purchaser Group of its intention to make any such disclosure prior to making such disclosure; and (ii) it may also disclose the existence (but not the financial terms) of this Supplemental Indenture, including to any actual or prospective purchaser of other Notes.

9.11 Acknowledgement and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in this Supplemental Indenture or in any other Program Agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under this Supplemental Indenture or any other Program Agreement, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments or ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Supplemental Indenture or any other Facility Agreement; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

9.12 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that ● Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in

connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 9.12, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 9.12 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2017-1 Senior Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

9.13 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

9.14 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Trust Indenture as of the date first above written.

● **TRUST**, by ● **TRUST COMPANY OF CANADA**, as Issuer Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

● **TRUST COMPANY OF CANADA**, as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

●,

By: _____
Name:
Title:

[NTD: Detailed signing pages to be prepared.]

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means the outstanding Dollar Principal Amount of all Funding Obligations of the Series 2017-1 Senior Notes have been declared or automatically become due and payable pursuant to Section 8.02 of the Trust Indenture.

"**Administrative Agent**" shall have the meaning specified in the preamble to this Supplemental Indenture.

"**Affected Party**" means any Non-Conduit Purchaser, CP Conduit Purchaser and any Program Support Provider with respect to any CP Conduit Purchaser.

"**Applicable Margin**" is defined in the Fee Letter.

"**Bail-In Action**" shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"**Bail-In Legislation**" shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"**Basel II**" means the revised Basel Accord prepared by the Basel Committee on Banking Supervision as set out in the publication entitled "International Convergence of Capital Measurements and Capital Standards: a Revised Framework," as updated from time to time, and any rules, regulations, guidance, requests, interpretations or directives from any Official Body relating thereto (whether or not having the force of law).

"**Basel III**" means the revised Basel Accord prepared by the Basel Committee on Banking Supervision as set out in the publication entitled "A Global Regulatory Framework for More Resilient Banks and Banking Systems" developed by the Basel Committee on Banking Supervision, initially published in December 2010, as updated from time to time, and any rules, regulations, guidance, requests, interpretations or directives from any Official Body relating thereto (whether or not having the force of law).

"**Cash Reserve Required Deposit Amount**" means, on any day, the amount by which the balance on deposit in the Series 2017-1 Cash Reserve Account is less than the Series 2017-1 Cash Reserve Required Amount.

"**CDOR**" means, on any day, an annual rate of interest equal to the average rate applicable to Canadian dollar bankers' acceptances for a 1 month period appearing on the "Reuters Screen CDOR Page" (as defined in the International Swaps and Derivatives Association, Inc. 2000 definitions, as modified and amended from time to time) at approximately 10:00 a.m. on such day, or if such day is not a Business Day, then on the immediately preceding Business Day, provided that if such rate does not appear on the Reuters Screen CDOR Page on such day as contemplated, then CDOR on such day shall be calculated as the average of the rates for such

period applicable to Canadian dollar bankers' acceptances quoted by the banks listed in Schedule I of the *Bank Act* (Canada) as of 10:00 a.m. on such day or, if such day is not a Business Day, then on the immediately preceding Business Day.

"**CEA Decrease**" is defined in Section 3.4(a).

"**Code**" is defined in Section 3.10(a).

"**Commercial Paper**" means, with respect to any CP Conduit Purchaser, the promissory notes issued by, or for the benefit of, such CP Conduit Purchaser in the commercial paper market.

"**Commitment**" means, with respect to (a) the Group Bank included in any CP Conduit Purchaser Group, the obligation of such Group Bank to purchase a Series 2017-1 Senior Note on the Series 2017-1 Closing Date and, thereafter, to maintain and, subject to certain conditions, increase the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group, in each case, in an amount up to the Maximum Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group; or (b) any Non-Conduit Purchaser Group, the obligation of the Related Non-Conduit Purchaser to purchase a Series 2017-1 Senior Note on the Series 2017-1 Closing Date and, thereafter, to maintain and, subject to certain conditions, increase the Purchaser Group Principal Amount with respect to such Non-Conduit Purchaser Group, in each case, in an amount up to the Maximum Purchaser Group Principal Amount with respect to such Non-Conduit Purchaser Group.

"**Commitment Expiry Date**" means the earlier of (a) the Scheduled Commitment Expiry Date; and (b) the date on which an Event of Default shall have been declared or automatically occurred.

"**Commitment Fee**" is defined in Section 3.6(b).

"**Commitment Fee Rate**" is defined in the Fee Letter.

"**Commitment Percentage**" means, on any date of determination, with respect to any Purchaser Group, the ratio, expressed as a percentage, which such Purchaser Group's Maximum Purchaser Group Principal Amount bears to the Series 2017-1 Maximum Principal Amount on such date.

"**Conduit Assignee**" means, with respect to any CP Conduit Purchaser, any commercial paper conduit administered by the Funding Agent with respect to such CP Conduit Purchaser and designated by such Funding Agent to accept an assignment from such CP Conduit Purchaser of the Purchaser Group Principal Amount or a portion thereof with respect to such CP Conduit Purchaser pursuant to Section 9.1(b).

"**CP Conduit Funded Amount**" means, with respect to any CP Conduit Purchaser Group for any day, the portion of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group funded by the CP Conduit Purchaser in respect of such CP Conduit Purchaser Group.

"**CP Conduit Purchaser**" means each commercial paper conduit listed on Schedule E or party to a Purchaser Group Supplement pursuant to which such commercial paper conduit became a party to this Supplemental Indenture

"**CP Conduit Purchaser Group**" means, collectively, a CP Conduit Purchaser and the Group Bank with respect to such CP Conduit Purchaser.

"**CP Conduit Rating Agencies**" means, with respect to any CP Conduit Purchaser, each of DBRS and Moody's and any other nationally recognized statistical rating organization which may, from time to time, rate the Commercial Paper of the CP Conduit Purchaser at the request of the CP Conduit Purchaser.

"**CP Rate**" means with respect to any CP Conduit Purchaser for any day during a Billing Period, the weighted average annual rate of interest applicable to all Commercial Paper of the CP Conduit Purchaser; and provided further that (x) any such Commercial Paper may be issued in either United States dollars or Canadian dollars with the appropriate market rate currency swap agreements being entered into to match such issuance to the funding requirements of such CP Conduit Purchaser, and (y) such weighted average annual rate of interest shall be calculated to reflect any costs incurred by such Purchaser in connection with such swap transactions or in connection with any redemption or repurchase transaction between such Purchaser and the holders of such commercial paper; provided that no amount shall be included in the calculation of the CP Rate which reflects any termination amounts payable by such CP Conduit Purchaser in respect of the early termination of any market rate currency swap referred to in this definition.

"**Decrease**" is defined in Section 3.4(a).

"**Decrease Amount**" is defined in Section 3.4(a).

"**Deferrable Increase Notice**" means a notice of Increase that provides that a Delayed Funding Notice may be provided by any Purchaser Group with respect to such Increase in accordance with Section 3.3(e).

"**Delayed Amount**" is defined in Section 3.3(e).

"**Delayed Funding Date**" is defined in Section 3.3(e).

"**Delayed Funding Notice**" is defined in Section 3.3(e).

"**Delayed Funding Purchaser Group**" is defined in Section 3.3(e).

"**Delayed Funding Reimbursement Amount**" means, with respect to any Delayed Amount of a Delayed Funding Purchaser Group funded by Non-Delayed Funding Purchaser Groups on an Increase Date, an amount equal to the excess, if any, of (a) such Delayed Amount; over (b) the amount, if any, by which the portion of any principal payment made by the Issuer to such Non-Delayed Funding Purchaser Group pursuant to Section 3.7 on any date during the period from and including such Increase Date to but excluding the Delayed Funding Date for such Delayed Amount, was greater than what it would have been had such Delayed Amount been funded by such Delayed Funding Purchaser Group on such Increase Date.

"**EEA Financial Institution**" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority; (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition; or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" shall mean any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"**EEA Resolution Authority**" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Eligible Assignee**" means a financial institution having short-term debt ratings of at least "A-1" from Standard & Poor's and "P-1" from Moody's.

"**EU Bail-In Legislation Schedule**" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"**Excluded Taxes**" shall have the meaning specified in Section 3.10(a) of this Supplemental Indenture.

"**Fee Letter**" means the letter dated the date hereof, from the Issuer addressed to the Administrative Agent, each Non-Conduit Purchaser and each of the CP Conduit Purchasers, the Funding Agents and the Group Banks, setting forth certain fees payable from time to time to the Purchaser Groups, as such letter may be amended or replaced from time to time.

"**Funding Agent**" means, with respect to each CP Conduit Purchaser and its CP Conduit Purchaser Group, the agent bank set forth opposite the name of such CP Conduit Purchaser on Schedule E or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser became a party to this Supplemental Indenture.

"**Group Bank**" means, with respect to a CP Conduit Purchaser, the bank or other Person set forth opposite the name of such CP Conduit Purchaser on Schedule E or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser became a party to this Supplemental Indenture and any assignee thereof, to the extent such assignee has assumed all or a portion of the Commitments of the Group Bank pursuant to a Transfer Supplement entered into in accordance with Section 9.1(c).

"**Group Bank Funded Amount**" means, with respect to any CP Conduit Purchaser Group for any day, the excess, if any, of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group over the CP Conduit Funded Amount with respect to such CP Conduit Purchaser Group for such day.

"**Group Bank Participants**" is defined in Section 9.1(d).

"**Increase**" is defined in Section 3.3(a).

"**Increase Amount**" is defined in Section 3.3(a).

"**Increase Date**" is defined in Section 3.3(a).

"**Increase Notice**" is defined in Section 3.3(a).

"**Issuer indemnified person**" is defined in Section 3.8

"**Manager Indemnity**" means an indemnity agreement from the Manager in favour of the Purchaser Groups, the Funding Agents and the Administrative Agent with respect to losses resulting from the failure of the Issuer to perform its obligations under the Program Agreements other than losses resulting from insufficient funds being transferred to the Issuer, in form and substance satisfactory to the Purchaser Groups, the Funding Agents and the Administrative Agent.

"**Maximum Purchaser Group Principal Amount**" means, with respect to (a) any CP Conduit Purchaser Group, the amount set forth opposite the name of the CP Conduit Purchaser included in such CP Conduit Purchaser Group on Schedule E or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser Group became a party to this Supplemental Indenture; or (b) any Non-Conduit Purchaser Group, the amount set forth opposite the name of such Non-Conduit Purchaser Group on Schedule E or in the Purchaser Group Supplement pursuant to which such Non-Conduit Purchaser Group became a party to this Supplemental Indenture, in each case, as such amount may be increased or reduced from time to time as provided in Section 3.5.

"**Monthly Interest**" means, with respect to each Billing Period and:

(a) any CP Conduit Purchaser Group, the sum of:

(i) for each day during such Billing Period, the product of (x) the portion of the CP Conduit Funded Amount with respect to the CP Conduit Purchaser Group on such day funded through the issuance of Commercial Paper outstanding on such day, times (y) the sum of the CP Rate for such day plus the Applicable Margin, divided by (z) 365; plus

(ii) for each day during such Billing Period, the product of (x) the portion of the CP Conduit Funded Amount with respect to the CP Conduit Purchaser in such GP Conduit Purchaser Group on such day not funded through the issuance of Commercial Paper outstanding on such day, times (y) the sum of CDOR for such day plus the Applicable Margin, divided by (z) 365; plus

(iii) for each day during such Billing Period the product of (x) the Group Bank Funded Amount with respect to such Purchaser Group on such day, times (y) the sum of CDOR for such day plus the Applicable Margin, divided by (x) 365.

(b) any Non-Conduit Purchaser Group, the sum for each day during such Billing Period of the product of (i) the Purchaser Group Principal Amount with respect to such Non-

Conduit Purchaser Group on such day; times (ii) the sum of CDOR for such day plus the Applicable Margin, divided by (iii) 365

"**Monthly Interest, Fees and Other Amounts**" shall mean, for any Payment Date, the aggregate for all Purchaser Groups of the sum of (a) Monthly Interest for the related Billing Period for each Purchaser Group; plus (b) the Commitment Fee with respect to the related Billing Period for each Purchaser Group; plus (c) any amounts payable pursuant to a Purchaser Group hereunder including, without limitation, pursuant to Sections 3.8, 3.10, 3.11 and 9.8, for each Purchaser Group; plus (d) the Monthly Interest Shortfall for such Payment Date for each Purchaser Group.

"**Monthly Interest Shortfall**" means, for any Payment Date and a Purchaser Group, if the amount of the Monthly Interest, Fees and Other Amounts for the preceding Payment Date was greater than the amount distributed to the payment of such amounts pursuant to Section 3.6(f), an amount equal to the Monthly Interest, Commitment Fees and other amounts owing to such Purchaser Group which were unpaid on the preceding Payment Date plus interest on such unpaid amount for the period from the preceding Payment Date to the current Payment Date at a rate equal to the Prime Rate plus ●% per annum.

"**Non-Conduit Purchaser**" means each financial institution or other entity (other than a commercial paper conduit, Group Bank or Funding Agent) listed on Schedule E or party to a Purchaser Group Supplement pursuant to which such financial institution or entity became a party to this Supplemental Indenture.

"**Non-Conduit Purchaser Group**" means a Non-Conduit Purchaser.

"**Non-Conduit Purchaser Participants**" is defined in Section 9.1(f).

"**Non-Deferrable Draw Amount**" means, with respect to any Purchaser Group as of any Increase Date, an amount equal to the lesser of (a) the excess, if any, of (x) **[10]**% of the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group over (y) the portion of any Increase Amounts funded by such Purchaser Group during the preceding thirty-five (35) days pursuant to a Non-Deferrable Increase Notice or, to the extent of any decrease pursuant to Section 3.3(e) in the Delayed Amount set forth in a Delayed Funding Notice delivered by such Purchaser Group, a Deferrable Increase Notice; and (b) the excess, if any, of (x) the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group, over (y) the sum of (i) the Purchaser Group Principal Amount with respect to such Purchaser Group; and (ii) any unfunded Delayed Amounts with respect to such Purchaser Group, in each case as of such Increase Date. [**NTD: The percentage in (a)(x) above is intended to represent the non-deferrable amount.]**

"**Non-Deferrable Increase Notice**" means a notice of Increase that provides that a Delayed Funding Notice may not be provided by any Purchaser Group with respect to such Increase in accordance with Section 3.3(a).

"**Non-Delayed Funding Purchaser Group**" is defined in Section 3.3(f).

"**Optional Termination Date**" is defined in Section 3.4.

"**Optional Termination Notice**" is defined in Section 3.4.

["Other Taxes" means any and all current or future stamp or documentary taxes or other excise or property taxes, charges or similar levies arising from any payment made under this Supplemental Indenture, the Trust Indenture, or any other Program Agreement or from the execution, delivery or enforcement of, or otherwise with respect to, this Supplemental Indenture, the Trust Indenture or any other Program Agreement.]

"**Payment Date Waterfall Principal Amount**" means, in respect of the Series 2017-1 Notes:

(a) on any Payment Date that is a Decrease Date in respect of a CEA Decrease before the earlier of (i) the Series 2017-1 Principal Payment Due Date; and (ii) the occurrence of an Acceleration Event, the Decrease Amount of the CEA Decrease occurring on such Payment Date;

(b) on any Payment Date that is not a Decrease Date in respect of a CEA Decrease before the earlier of (i) the Series 2017-1 Principal Payment Due Date; and (ii) the occurrence of an Acceleration Event, nil; and

(c) on any Payment Date occurring on or after the earlier of (i) the Series 2017-1 Principal Payment Due Date; and (ii) the occurrence of an Acceleration Event, the Series 2017-1 Principal Amount.

"**Prime Rate**" means the annual rate of interest announced by ● from time to time as being its reference rate for the determination of interest rates on Canadian dollar denominated commercial loans made by it and commonly referred to by ● as its "prime rate."

["Privacy Laws" shall mean, collectively (a) *An Act Respecting the Protection of Personal Information in the Private Sector* (Quebec); (b) *Personal Information Protection and Electronic Documents Act* (Canada); (c) *Personal Information Protection Act* (British Columbia); and (d) such other similar statutes of Canada or any province in force from time to time and any principles of common or civil law applicable therein, which restrict, control, regulate or otherwise govern the collection, holding, use or communication of personal information.]

"**Pro Rata Share**" means, with respect to any Purchaser Group, on any date, the ratio, expressed as a percentage, which the Purchaser Group Principal Amount with respect to such Purchaser Group bears to the Series 2017-1 Principal Amount on such date.

"**Program Support Provider**" means, with respect to any CP Conduit Purchaser, the Group Bank with respect to such CP Conduit Purchaser and any other or additional Person now or hereafter extending credit, or having a commitment to extend credit to or for the account of, or to make purchases from, such CP Conduit Purchaser or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with such CP Conduit Purchaser's securitization program.

"**Purchaser Group**" means a CP Conduit Purchaser Group or a Non-Conduit Purchaser Group.

"**Purchaser Group Increase Amount**" means, with respect to any Purchaser Group, for any Business Day, such Purchaser Group's Commitment Percentage of the Increase Amount, if any, on such Business Day.

"**Purchaser Group Principal Amount**" means, with respect to any Purchaser Group, (a) when used with respect to the Series 2017-1 Closing Date, such Purchaser Group's Commitment Percentage of the Series 2017-1 Initial Principal Amount; and (b) when used with respect to any other date, an amount equal to (i) the Purchaser Group Principal Amount with respect to such Purchaser Group on the immediately preceding Business Day; plus (ii) the Purchaser Group Increase Amount with respect to such Purchaser Group on such date; minus (iii) the amount of principal payments made to such Purchaser Group pursuant to Section 3.7(c) on such date. For the avoidance of doubt, (x) so long as any Purchaser Group has failed to fund any portion of its Purchaser Group Increase Amount with respect to any Increase Date (including any Delayed Amount), such unfunded amount shall not be included in the Purchaser Group Principal Amount for such Purchaser Group unless and until such amount has been funded (including by Funding any Delayed Funding Reimbursement Amount, if applicable), and (y) any Delayed Amounts funded on an Increase Date by a Non-Delayed Funding Purchaser Group shall be included in the Purchaser Group Principal Amount for such Non-Delayed Funding Purchaser Group until the related Delayed Funding Reimbursement Amount has been funded.

"**Purchaser Group Supplement**" is defined in Section 9.1(e).

"**Rating Agency Condition**" means, with respect to any action in respect of the Series 2017-1 Senior Notes subject to such condition, each of the CP Conduit Purchasers shall deliver written notice of the proposed action to the CP Conduit Rating Agencies at least 10 Business Days prior to the effective date of such action (or if 10 Business Days prior notice is impractical, such advance notice as is practicable) and the CP Conduit Rating Agencies (i) shall not have informed any CP Conduit Purchaser prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Commercial Paper of the CP Conduit Purchaser immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, when it is a CP Conduit Rating Agency, DBRS shall have informed each of the CP Conduit Purchasers in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating of any Commercial Paper of such CP Conduit Purchasers immediately before the taking of such action. For purposes of the Trust Indenture, this Supplemental Indenture and the Master Transfer and Servicing Agreement, the Indenture Trustee shall receive, and shall be entitled to rely on, a certificate of a CP Conduit Purchaser confirming the satisfaction of the Rating Agency Condition.

"**Refinancing Decrease**" is defined in Section 3.4(a).

"**Refinancing Increase**" is defined in Section 3.3(a).

"**Regulatory Change**" shall mean (i) the adoption after the date hereof of any applicable law, rule or regulation (including any applicable law, rule or regulation regarding capital adequacy, deposits, reserves or liquidity coverage) or any change therein after the date hereof, (ii) any change after the date hereof in the interpretation, administration, scope or timing of implementation thereof by any governmental authority, central bank, self-regulating professional

body or comparable agency or authority charged with the interpretation or administration thereof, or compliance with any guidance, request or directive (whether or not having the force of law) of any such authority, central bank, self-regulating professional body or comparable agency or authority; provided that for purposes of this definition, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof, and (y) all requests, rules, guidelines and directives (whether or not having the force of law) promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or Canadian or United States or other foreign regulatory authorities, shall in each case be deemed to be a "Regulatory Change", regardless of the date enacted, adopted, issued or implemented.

"**Related Non-Conduit Purchaser**" means, with respect to any Non-Conduit Purchaser Group, the Non-Conduit Purchaser that constitutes such Non-Conduit Purchaser Group.

"**Related Purchaser Group**" means, with respect to (a) any Funding Agent, the CP Conduit Purchaser identified next to such Funding Agent on Schedule E and the Group Bank identified on Schedule I next to such CP Conduit Purchaser or the CP Conduit Purchaser and Group Bank party to the Purchaser Group Supplement pursuant to which such Funding Agent became a party to this Supplemental Indenture; (b) any CP Conduit Purchaser, the CP Conduit Purchaser Group of which such CP Conduit Purchaser is a member; and (c) any Non-Conduit Purchaser, the Non-Conduit Purchaser Group that such Non-Conduit Purchaser constitutes.

"**Requisite Series 2017-1 Noteholders**" means Purchaser Groups having Commitment Percentages aggregating more than 50% (or if all Commitments have terminated, Purchaser Groups whose aggregate Purchaser Group Principal Amounts exceed 50% of the Series 2017-1 Principal Amount).

"**Scheduled Commitment Expiry Date**" means, ●, as such date may be extended in accordance with Section 3.5(c). [**NTD: two years out.]**

"**Series 2017-1 Cash Reserve Account**" is defined in Section 5.1.

"**Series 2017-1 Cash Reserve Required Amount**" means ●.

"**Series 2017-1 Closing Date**" is defined in Section 3.3(a).

"**Series 2017-1 Initial Principal Amount**" is defined in Section 3.3(a).

"**Series 2017-1 Maximum Principal Amount**" means, on any date of determination, the sum of the Maximum Purchaser Group Principal Amounts with respect to each of the Purchaser Groups on such date.

"**Series 2017-1 Noteholder**" means a Person in whose name a Series 2017-1 Senior Note is registered in the Note Register.

"**Series 2017-1 Principal Amount**" means, on any date of determination, the sum of the Purchaser Group Principal Amounts with respect to each of the Purchaser Groups on such date.

"**Series 2017-1 Principal Payment Due Date**" means ●. [**NTD: the date upon which the Series 2017-1 Senior Notes become due and payable – a date after May 1, 2021?**]

"**Series 2017-1 Principal Payment Default Date**" means ●. [**NTD: the "cure period" number of days after the Series 2017-1 Principal Payment Due Date when an Event of Default will occur if the Series 2017-1 Senior Notes are not paid in full.]**

"**Series 2017-1 Senior Note**" means any one of the Series 2017-1 Variable Funding Senior Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Exhibit B.

"**Standard & Poor's**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"**Supplemental Indenture**" means this Amended and Restated Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Support Facility**" shall mean any liquidity or credit support agreement with a CP Conduit Purchaser which relates to, or is otherwise available to such CP Conduit Purchaser in relation to its funding activities under, this Supplemental Indenture.

"**Taxes**" is defined in Section 3.10(a).

"**Termination Event**" means any Event of Default or any event which with the giving of notice or the passage of time, or both, could become an Event of Default.

"**Transfer Increase**" is defined in Section 3.3(a).

"**Transfer Supplement**" is defined in Section 9.1(c).

"**Transferee**" is defined in Section 9.1(g).

"**Trust Indenture**" means the trust indenture dated as of ●, 2017 between the Issuer and the Indenture Trustee, as amended or restated from time to time.

"**Write-Down and Conversion Powers**" shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SCHEDULE B

[FORM OF NOTE]

SERIES 2017-1 SENIOR NOTE

●

SCHEDULE C

FORM OF INCREASE NOTICE

●

SCHEDULE D

FORM OF DECREASE NOTICE

●

SCHEDULE E

PURCHASER GROUPS

From: Hanslep, Malle (MOF) [Malle.Hanslep@ontario.ca]
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
CC: Tobias P. Whitfield (MOF) [Tobias.Whitfield@ontario.ca]
Subject: FW: Fair Hydro -- Change of Law Assumption Agreement
Date: Wednesday, October 25, 2017 14:43:00
Attachment 1: image001.jpg
Attachment 2: 12917730-v1-Questions (Adherence Conditions).docx

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This will help with some background.

From: Whitfield, Tobias P. (MOF)
Sent: October 24, 2017 1:00 PM
To: Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Further to OPG's response to our proposals, please find attached a discussion document drafted by our outside legal counsel Stephen Ashbourne and based on discussions amongst our Provincial legal teams.

This document sets out a number of questions that we need to consider and answer in order to respond to OPG with the Province's position.

A meeting amongst this group would be useful to discuss these issues and to inform a response to OPG.

Best
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: October 18, 2017 9:53 AM
To: Whitfield, Tobias P. (MOF)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'; Mansoori, Nina
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby – further to discussions between OPG and the Province, please find attached comments on the draft proposal under the Change of Law Protection Agreement (blacklined to the draft circulated below). The attached reflects our comments from accounting, operational and financeability

perspectives. In particular, the financeability of the program will turn on whether there is a clear and concise way for investors to determine that an incurrence of funding obligations will be covered under the Change of Law Protection Agreement and that, once confirmed, the confirmation is irrevocable. Accordingly, we have proposed in the attached that a simple confirmation from OPG to a third party binds the Province in respect of the incurrence of the applicable funding obligations provided that OPG has satisfied the requirements of the approval process (which we propose be the subject of a separate procedures agreement or memo). Please note that the attached remains subject to the review of the working group including the dealers and the rating agencies.

Best Regards,
Nina

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: October-13-17 4:47 PM
To: Mansoori, Nina <nmansoori@torys.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com>
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Please find attached our comments on your response of October 6. We have moved the text of your email to the attached document and responded inline in square brackets for ease of review.

We recognize that we are running out of time, and that we should discuss and move this forward at the beginning of next week.

We also generally recognize that, although there are still some gaps in our respective approaches, we would find it helpful to have some more specific suggestions and comments on our Sept. 27 draft in order to help move this forward. This might include also the timing issues, with some indication of where, if OPG finds the timing does not work, some alternatives can be suggested for consideration.

Best
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: October 6, 2017 5:58 PM
To: Whitfield, Tobias P. (MOF)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,
Nina

Accounting Issues:
E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence
-that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt
-the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts)
-the negative pledge with respect to the exercise of certain options on the debt
-the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control

on the debt that no typical guarantor would have. Please also advise if the Province's accountants have reviewed the proposal.

Practical Issues:

- The procedural steps to bind the Province are lengthy and complicated. From our perspective, as drafted, OPG will likely have to seek Provincial approval on each debt issuance (which weakens the accounting as discussed above). The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself. Setting aside the mechanics of how we get there, the dealers want comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement. We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met. The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.
- In addition to the accounting concerns, the level of detail and frequency of reporting required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.

Drafting Issues:

- Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.
- We'd like to understand the reason OPG's management fees have been excluded. We assume you do not intend for OPG's reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? Please advise why taxes are being excluded?
- There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.
- We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: September-27-17 4:21 PM
To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Mansoori, Nina <nmansoori@torys.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LEE John

-TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Rima,

Further to our earlier conversations, please find attached our proposed process for confirmation of application of the Protection Agreement.

We would be happy to discuss further when you have had a chance to review.

Best
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: September 25, 2017 12:21 PM
To: 'STEPHEN.ASHBOURNE@blakes.com'; Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Good morning all, just following up on our email below. Please let us know when we should expect your feedback.

Many thanks,
Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

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From: Ramchandani, Rima
Sent: September-19-17 9:55 PM
To: 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Fair Hydro -- Change of Law Assumption Agreement

Steve, Malle and Toby, further to our meeting the other day, set out below for your review is a proposal on the Provincial approval process under the Change of Law Assumption Agreement. Once we have your feedback on this, we will need to share it with Osler and the accountants and as John mentioned, we are under some time pressure to bring this to a resolution prior to the upcoming June 29 OPG Board meeting. We look forward to your comments, and feel free to reach out if you have any questions. -- Rima

Obligor Approval

The Change of Law Assumption Agreement will apply to all Specified Claims relating to Funding Obligations that are incurred by an Eligible Financing Entity in accordance with the Obligor's approval process. The definition of Specified Claims to be mutually agreed by all parties.

In order for a Financing Entity to become designated as an Eligible Financing Entity by the Obligor, prior to the initial issuance of Funding Obligations by such Financing Entity, the Obligor will be provided with copies of the following documents (collectively the "Program Documents") for review:

(i) the constating documents of such Financing Entity;
(ii) the management agreement between the Financing Entity and OPG;
(iii) the master transfer and servicing agreement between the Financing Entity and the IESO;
(iv) the master trust indenture governing the issuance of Funding Obligations by the Financing Entity;
(v) a form of supplemental indenture governing the issuance of bonds, issuable in series, by the Financing Entity;
(vi) a form of note purchase agreement or credit agreement governing the issuance of short term Funding Obligations by the Financing Entity;
(vii) a form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; and
(viii) such other documents as may be requested by the Obligor.

Once a Financing Entity is designated by the Obligor as an Eligible Financing Entity, it will not be necessary for the Obligor to approve the documentation related to specific issuances of Funding Obligations; however, OPG will be expected to notify the Obligor of any new material program documentation or any material amendments to existing program documentation before such new

documentation or amendments become effective. The failure of OPG to provide any such notice will not invalidate the application of the Change of Law Assumption Agreement to any Specified Claims.

It will not be necessary for the Obligor to approve each new issuance of Funding Obligations provided that such Funding Obligations are issued in accordance with following:

(1) The Funding Obligations are issued in accordance with agreements that contain: (a) covenants of the Eligible Financing Entity that are no more onerous in any material respect and (b) events of default that are consistent in all material respects, respectively, with the covenants of the Eligible Financing Entity and events of default contained in the draft Program Documents.

(2) At least [30 days] prior to the initial issuance of Funding Obligations by an Eligible Financing Entity, OPG will provide the Obligor with a forecast of the principal amount and expected term of the Funding Obligations that OPG expects such Eligible Financing Entity to issue in accordance with the Financing Plan in the next two years (a "Two Year Forecast"). The execution of the Change of Law Assumption Agreement in respect of such Eligible Financing Entity shall constitute the Obligor's approval of the issuance of Funding Obligations by such Eligible Financing Entity in accordance with the Two Year Forecast.

(3) OPG shall provide the Obligor with an updated Two Year Forecast between 9 and 12 months prior to the expiry of each current Two Year Forecast.

(4) Unless the Obligor provides OPG with a written notice no later than 3 months prior to the date following receipt of the current Two Year Forecast that the Change of Law Assumption Agreement will be inapplicable with respect to new Funding Obligations incurred following the expiry of the current Two Year Forecast, the Obligor will be deemed to approve the application of the Change of Law Assumption Agreement to all Funding Obligations incurred up to the expiry of the new Two Year Forecast.

At the time of issuance of Funding Obligations by an Eligible Financing Entity, the Financing Entity will provide (i) any required certifications to the underwriters/agents that such Funding Obligations are covered by the Change of Law Assumption Agreement; and (ii) notice to the Obligor of the material terms of the Funding Obligations issued, together with electronic copies of the final executed Program Documents.

P. 416.865.7666

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TORYS
LLP

Confidential legal advice subject to solicitor-client privilege

October 23, 2017

Questions for MOE and OFA to consider regarding OPG's Proposed Adherence Terms

A. Scope of Province's Obligations under the Change of Law Protection Agreement (**CLPA**)

1. On a Protection Event, should the Province become responsible for the payment of taxes (if any) owing by the Financing Entity?

2. On a Protection Event, should the Province become liable to pay amounts owing by the Financing Entity to OPG (e.g., FSM fees and expenses)?

3. On a Protection Event, should all available funds (e.g., funds accumulated in sinking funds) be immediately applied to reduce the amount that the Province would be liable for under the CLPA?

4. Should the Province set a "Protection Agreement Maximum" (previously called the "Program Maximum") that measures and relates only to "principal amounts"? In other words, should the limitation be tied only to principal obligations, while the Province's actual obligations would automatically extend, without specific quantum limits, to the other payment obligations under "funding obligations" (e.g., interest, swaps, standby liquidity commitment fees, servicer fees and expenses)?

5. Is the Province comfortable guaranteeing contingent obligations (e.g., indemnity obligations) of the Financing Entity? If so, should the Province require that such contingent obligations be "capped" within the funding obligation itself or should the exposure of the Province be otherwise limited under the CLPA?

6. Should the Province be required to deposit funds to meet sinking fund or collateral deposits (i.e., deposit obligations incorporated in the financing structure on the basis that the "clean energy" cash flows will service the obligations, rather than the Province), notwithstanding that the Province would have become primarily liable for payment obligations under the CLPA?

B. Adhesion

7. Is the Province okay splitting the maximum exposure limitations and "process-related" matters (see below) into a separate agreement - away from the terms of the agreement under which the Province's payment obligations would bind the Province opposite the Indenture Trustee? OPG proposes this in order to keep the optics of the CLPA as simple and straightforward as possible. In other words, is the Province prepared to leave all of the important details regarding what OPG is supposed to do before incurring an obligation that binds the Province to a side agreement with OPG, that is opaque to the Indenture Trustee and Underwriters at the time a funding obligation is incurred and not requiring any third party to have notice or regard to the Province's requirements?

8. OPG proposes that delivery of an officers' certificate to a third party, in OPG's capacity as FSM, will in and of itself bind the Province under the CLPA. That certificate would simply indicate that the Province is bound under the CLPA with respect to the specified funding obligation. It would not be addressed to the Province (although a pre-closing certificate is contemplated to be delivered to the Province) and the "Protection Agreement Maximum" concept would not be incorporated as a specific condition (other

than to the extent that OPG is bound to the Province under the side agreement with the Province). Is this acceptable to the Province? Does this raise any governance/authority issues for the Province (e.g., limit on incurrence needing to be specifically confirmed at closing? scope of permitted delegation to bind? FAA compliance?)

C. "Protection Agreement Maximum" (formerly "Program Maximum" (**PAM**)

9. OPG proposes that the PAM will be determined based on a mechanical calculation and without any real discretion on the part of the Province to set or object to the PAM. Is this acceptable to the Province?

10. OPG's proposed mechanical process to determine PAM would be based on OPG's 24 month forecast (estimate) of payments to be made by the Financing Entity. So long as that forecast (and any refresh) is consistent with the "Financing Plan" (also prepared by OPG) and is "reasonably expected to align with the fair allocation amount", the Province will be required to accept the PAM based on OPG's forecast – i.e., no discretion to reject or modify the aggregate amount of the Province's commitment initially or from time to time. Is the Province prepared to tie its CLPA obligation automatically to the operation of the OFHPA in this way, without review and with perpetual effect?

11. Is the proposed mechanical link to the OFHPA calculations consistent with the OIC or other governance requirements applicable to the Province's authority to approve the CLPA?

12. Is the initial 24 month forecast period appropriate (e.g., 2.5B x 2 – large)? Is OPG's proposed refresh of the PAM (mechanically tied to the new forecast), 9 to 12 months prior to the end of the 24 month forecast period, appropriate?

D. "Process-Related" Matters

13. Assuming the Province is okay with the arrangements described in question 7, above, we would envision a mechanism where the Province could give the Indenture Trustee notice of a breach (if known) by OPG of the PAM or process-related side agreement, and that such a notice would have the effect of cutting off the application of the CLPA for any future incurrences unless the Province further agrees otherwise. Does the Province agree that this sort of failsafe is essential? Note that OPG's suggestion has been that no pre-incurrence non-adherence/failsafe provision be provided, in order to allow the Province to provide notice that the CLPA will not apply to a pending/proposed incurrence.

14. Does the Province need to contemplate other scenarios where the CLPA would become ineffective in respect of future incurrences, such as:

    a. an OPG change of control

    b. a policy-based determination by a future government

    c. an unanticipated circumstance, such as the incurrence by the Financing Entity of assessed tax liabilities, indemnity payments, "increased costs", rating downgrades, offering disclosure-based claims, defaults under the program,

insolvency of a major counterparty (e.g., swap counterparty or services provider), etc.

d. a discretionary circumstance where the Province decides it no longer wishes to be liable under the CLPA?

We expect that OPG would push back so that any suspension of new obligations by the Province would not hamper OPG's ability to complete an anticipated/needed refinancing.

15. Does the Province have any reservations about letting OPG at any time provide a binding certificate to third parties regarding adherence, which would be determinative of the Province's obligations. What conditions for this sort of certificate would make sense (e.g., preview and consent by the Province)? Does this proposal raise any governance/authority issues for the Province (e.g., scope of delegation; FAA compliance)?

16. If the Province is prepared to be liable for taxes owing by the Financing Entity (see question 1, above), what oversight, assurances, documentation and reporting regarding the potential for entity-level taxes should the Province require (if any)?

17. OPG is proposing that the Province will receive a certificate prior to the Financing Entity incurring a funding obligation, that sets out "the material terms of the funding obligations pertaining to the principal amount, pricing and third party fees". Is that a sufficient amount of detail, or would the Province like to specifically itemize its information expectations, to cover things such as:

    a. details respecting any principal obligation, such as:

        i. the amount, timing and conditions of repayments (including any redemption or extension rights)

        ii. the basis for OPG's expectations regarding the availability of any related refinancings

        iii. any required deposits to be made into a capital account or a finance reserve account in order to provide for payment of the principal obligation

        iv. the rating (if any) contemplated to be attributed to the principal repayment of the funding obligation

        v. details respecting any redemption rights, including the nature and conditions applicable to any exercise and OPG's expected basis for determining whether or not to exercise a redemption right, option or privilege;

    b. details respecting interest obligations, such as:

        i. the anticipated interest or discount rate or rates (including default rates)

        ii. the timing/frequency/conditions of coupon payments

iii. any required deposits to be made into a finance reserve account or supplemental account

iv. the availability of any funding rebates in order to provide for payment of interest

v. the rating (if any) contemplated to be attributed to the interest obligation;

c. details respecting any hedging obligation (e.g., interest or FX swaps, options or other derivatives), such as:

i. the name of the counterparty and credit details

ii. the credit ratings (if any) of the payor(s)

iii. the risks sought to be mitigated by the derivative

iv. anticipated circumstances (if any) in which the derivative may not achieve such mitigation or be subject to early termination

v. whether collateral posting requirements will apply;

d. details respecting other funding obligations, such as:

i. the payee

ii. the timing and any conditions of payments

iii. any required deposits to be made into a finance reserve account or supplemental account or the availability of any funding rebates in order to provide for payment of such obligations

iv. in the case of a contingent obligation (e.g., indemnities), the nature and extent of any contingency affecting the payment obligation, the circumstances in which a payment obligation may arise and any specified maximum claim amount

e. assuming that the Province would be liable for capital, reserve or supplementary account deposit obligations (see question 6, above), details respecting the schedule for such deposits and the conditions for the application of such amounts to pay such amounts and the related priorities for application.

18. OPG (and presumably OPG's accountants) is contemplating that the Province will be provided transaction documentation "in substantially final form" and that the Province will not be entitled to provide input "other than in its capacity as obligor under the [CLPA]". In other words, assuming that the CLPA is signed in advance, the Province will have no real opportunity to comment on the forms of transaction documents to be used, and will

have a limited opportunity to "not accept" [1] the documentation. Can the Province live with these limitations?

19. The proposed OPG certificate (pre-incurrence) would include an attestation by OPG regarding the use of pre-reviewed documentation. The test for conformity of the to-be-used documentation, compared to the pre-reviewed documentation, would focus only on whether "the covenants of the Financing Entity are no more onerous in any material respect" and that the "events of default" are consistent "in all material respects". Is the limited scope of this conformity test acceptable, or should it be broadened and cover specific items such as:

    a. no differences in the timing of or circumstances under which payments are or may become due (for example, as a result of any termination, wind-up, liquidation or realization)

    b. no differences that could affect the Province's rights of subrogation or interests as a subrogee

    c. with respect to the anticipated form of series specific documents (as opposed to the upfront terms of program-wide "master" documents), confirming that the variable terms set forth in the proposed documents are as reasonably contemplated in the reviewed forms, having regard to such matters as:

        i. the type of instrument to be issued (i.e., debt (bullet vs. amortizing), equity-linked, pass-through instruments, etc.)

        ii. the scope of the related obligations (e.g., redemption or extension features or other optionality)

        iii. the extent of the related obligations (e.g., limited recourse features, limitations on indemnities, etc.)

        iv. the timing, conditions and circumstances in which payment obligations may arise,

    but making it clear that conformity would not include a comparison to the particular financial terms, rates, levels and parameters of the obligations other than if the reviewed forms specify specific requirements, limitations or parameters.

20. How much time is sufficient for the Province:

    a. to do an initial review of the main transaction documentation (including forms of series-specific documents), which would set the acceptable pattern for future

---

[1] Note that the proposed OPG language is not crystal clear that the Province can reject the reviewed documentation, which we expect is merely drafting, but that will need to be confirmed assuming the Province wishes to work within the OPG/Tory mark-up.

issuances? The proposal is 15 BDs, although that does not seem to make sense given that OPG proposes that the Province must confirm acceptance of the terms within 15 BDs of receipt of the documentation

b. to do a review of any changes to the main transaction documentation (including forms of series-specific documents), which would reset the acceptable pattern for future issuances? The proposal is to receive proposed amendments at least 15 BDs prior to first use, and the Province would confirm acceptance of the terms within 15 BDs of receipt of the documentation

c. to review applicable details of a proposed funding obligation in advance of an incurrence (proposal is 10BDs)?

21. What other items should be incorporated into the timeline from the Province's perspective?

E. Information, Reporting and Other Covenants

22. OPG proposes to provide the Province with an applicable "Financing Plan" only after an incurrence. Does the Province need to see this document as it is issued and changed, rather than only after the time of an incurrence?

23. OPG proposes to provide the Province with any actual offering/disclosure documents only after it is used. Does the Province need to have input into offering/disclosure document before use or dissemination (e.g., the description of the CLPA)?

24. OPG has limited its negative covenant on elections by the Financing Entity following a Protection Event to actions that would accelerate obligations. Should this be broader to cover extensions or other consensual changes that could affect the obligations (e.g., creditor concessions).

F. Parties

25. Will it be sufficient for the CLPA (and any procedural side-letter) to be signed by OPG, acting solely in its capacity as "financial services manager" (i.e., with OPG's liability being limited by the terms of the related management or administrative agreement)? How does this interplay with any other indemnities or exculpatory provisions that the Province is anticipating for OPG (corporate) and its officers?

26. Who from OPG should sign the officer's certificate? The OPG proposal is 2 "executive officers".

27. OPG proposes that a failure to comply with the PAM or "approval process" will not result in any breach. Assuming that OPG is in fact proposing that its failure would have no consequences, including as between the Province and OPG whatsoever, are the process aspects of the OPG proposal even meaningful to the Province?

From: Sarah Harris
To: Opal Kandelas
Subject: FHP
Date: Wednesday, October 25, 2017 2:54:21 PM
Attachments: FW OIC PDF.msg
FW Fair Hydro -- Revised MTSA and IESO Security Agreement.msg
FW Fair Hydro -- Change of Law Assumption Agreement.msg
FW Fair Hydro -- Change of Law Assumption Agreement.msg
FW Fair Hydro -- Change of Law Assumption Agreement.msg

Hi Opal,

In relation to the Fair Hydro Plan, Malle thought it was a good idea for Documentation to be involved in reviewing the agreements, particularly with a view of structuring the Crown's guarantee as a contingent liability in the event that the funding from rate payers is no longer available to the OPG Asset.

Lot of fun, I'm sure!

Sarah

From: Hanslep, Malle (MOF) [Malle.Hanslep@ontario.ca]
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
CC: Tobias P. Whitfield (MOF) [Tobias.Whitfield@ontario.ca]
Subject: FW: OIC PDF
Date: Wednesday, October 25, 2017 14:46:43
Attachment 1: DOC.PDF

-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: September 19, 2017 1:33 PM
To: Strathy, Anna (OFA); Hanslep, Malle (MOF)
Subject: OIC PDF

PDF of OIC attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456

Original Message
From: ONP2F00851305@ontario.ca
Sent: Tuesday, September 19, 2017 12:35 PM
To: Whitfield, Tobias P. (MOF)
Reply To: ONP2F00851305@ontario.ca
Subject: Scan from a Xerox WorkCentre

Please open the attached document. It was scanned and sent to you using a Xerox WorkCentre.

Attachment File Type: PDF, Multi-Page

WorkCentre Location: machine location not set
Device Name: ONP2F00851305

Ontario

Executive Council of Ontario
Order in Council

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

Conseil exécutif de l'Ontario
Décret

Sur la recommandation de la personne soussignée, la lieutenante-gouverneure de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

WHEREAS pursuant to subsection 5(3) of the *Ontario Fair Hydro Plan Act, 2017* (the "Act"), the Lieutenant Governor in Council may by order authorize the Minister of Energy and the Minister of Finance, acting together on behalf of the Province to agree to guarantee or indemnify any debts, obligations, securities or undertakings associated with an investment interest as described under the Act;

AND WHEREAS pursuant to subsection 22(2) of the Act, Ontario Power Generation Inc. as financial services manager, may establish or cause to be established one or more financing entities (a "Financing Entity") that may incur funding obligations in connection with investment interests;

AND WHEREAS it is considered desirable to authorize the Minister of Energy and the Minister of Finance to agree to guarantee or indemnify debts, obligations, securities or undertakings of a Financing Entity associated with investment interests acquired by a Financing Entity;

NOW THEREFORE:

1. Pursuant to subsection 5(3) of the *Ontario Fair Hydro Plan Act, 2017*, the Minister of Energy and the Minister of Finance, acting together on behalf of Ontario, are authorized to enter into one or more agreements to guarantee or indemnify the debts, obligations securities or undertakings of a Financing Entity associated with investment interests acquired by a Financing Entity.

2. The Minister of Energy and the Minister of Finance, acting together on behalf of Ontario are authorized to determine terms and conditions of the guarantee or indemnity and the maximum liability for the guarantee and indemnity authorized under paragraph 1 of this Order.

- - - - - - -

ATTENDU QU'en vertu du paragraphe 5 (3) de la *Loi de 2017 sur le Plan ontarien pour des frais d'électricité équitables* (la « Loi »), le lieutenant-gouverneur en conseil peut, par décret, autoriser le ministre de l'Énergie et le ministre des Finances, agissant de concert au nom de la province, à accepter de garantir ou de rembourser les dettes, obligations, valeurs mobilières ou engagements associés à une participation d'investissement et prévus dans la Loi;

ATTENDU QU'en vertu du paragraphe 22 (2) de la Loi, Ontario Power Generation Inc., en tant que gestionnaire des services financiers, peut créer ou faire créer une ou plusieurs entités de

Authority Verified/Compétence vérifiée: _____

Please print name/Nom en lettres moulées s.v.p.: Tobias Whitfield

Telephone/Téléphone: 416-325-1456

Recommended by the Treasury Board/Management Board of Cabinet on:
Recommandé par le Conseil du Trésor / Conseil de gestion du gouvernement le : _____

Secretary/Secrétaire: _____

financement (une « entité de financement ») qui peuvent contracter des obligations de financement dans le cadre de la participation d'investissement;

ATTENDU QU'il est jugé souhaitable d'autoriser le ministre de l'Énergie et le ministre des Finances à accepter de garantir ou de rembourser les dettes, obligations, valeurs mobilières ou engagements d'une entité de financement qui sont associés à une participation d'investissement acquise par cette dernière;

EN CONSÉQUENCE :

1. En vertu du paragraphe 5 (3) de la *Loi de 2017 sur le Plan ontarien pour des frais d'électricité équitables*, le ministre de l'Énergie et le ministre des Finances, agissant de concert au nom de la province, sont autorisés à accepter de garantir ou de rembourser les dettes, obligations, valeurs mobilières ou engagements d'une entité de financement qui sont associés à une participation d'investissement acquise par cette dernière.

2. Le ministre de l'Énergie et le ministre des Finances, agissant de concert au nom de la province, sont autorisés à fixer les conditions et le plafond de la garantie ou du remboursement qu'autorise l'article 1 du présent décret.

_____

Recommended: Minister of Finance
Recommandé par : Le ministre des Finances

_____

Recommended: Minister of Energy
Recommandé par : Le ministre de l'Énergie

_____

Concurred: Chair of Cabinet
Appuyé par : Le président/la présidente du Conseil des ministres

Approved and Ordered:
Approuvé et décrété le :

_____

Lieutenant Governor
La lieutenante-gouverneure

From: Hanslep, Malle (MOF) [Malle.Hanslep@ontario.ca]
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
CC: Tobias P. Whitfield (MOF) [Tobias.Whitfield@ontario.ca]
Subject: FW: Fair Hydro -- Revised MTSA and IESO Security Agreement
Date: Wednesday, October 25, 2017 14:45:30
Attachment 1: image1df5da.JPG
Attachment 2: #24367979v3_TorysAtWork_ - Fair Hydro - MTSA (Osler Oct 20 Draft).DOCX
Attachment 3: Blackline_Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version) - 24367979v3.pdf
Attachment 4: IESO Security Agreement.docx

Hi – These are a lot of documents.

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: October 25, 2017 12:12 PM
To: Mansoori, Nina; Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
Cc: Feldman, Michael; Olusoga, Yinka; Saulnier, Brett; Ramchandani, Rima; WONG Leslie -LAWDIV; 'LEE John -TREASURY'; RYFA Ken -TREASURY
Subject: RE: Fair Hydro -- Revised MTSA and IESO Security Agreement

Malle and team, attached is a revised draft of the MTSA (clean and blacklined to the prior draft circulated to Steve), together with an initial draft of the IESO security agreement (as a reminder, in order to achieve a AAA rating in light of the moratorium period, it has been proposed that IESO enter into this security agreement in favour of the financing entity as security for the performance of its regulatory obligation to pay carrying costs during the moratorium).

FYI, these documents are currently under review by the IESO and Stikeman.

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

[torys.com]

From: Mansoori, Nina
Sent: October-24-17 5:21 PM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; STEPHEN.ASHBOURNE@blakes.com
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: RE: Fair Hydro -- Form of ISDA Schedule

All,

We attach a draft Schedule for an ISDA Master Agreement to be used for hedging purposes in connection with the issuance of Fair Hydro debt. This draft is subject to the working group's review and comment.

Best Regards,
Nina

Nina Mansoori
P. 416.865.7332

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TORYS
LLP

MASTER TRANSFER AND SERVICING AGREEMENT

between

[FINANCING ENTITY]
as Issuer

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

- and -

■
as Indenture Trustee

Dated as of ■, 2017

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EXHIBIT

Exhibit A – Form of Transfer Notice

Exhibit B – Form of Monthly Report

Exhibit C – Form of Monthly Carrying Costs Statement

MASTER TRANSFER AND SERVICING AGREEMENT

THIS AGREEMENT made as of ■, 2017.

BETWEEN:

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario

(the "**Issuer**")

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital amalgamated under the laws of the Province of Ontario

(the "**Transferor**" in its capacity as transferor, the "**Servicer**", in its capacity as servicer, and the "**IESO**" in its capacity as both Transferor and Servicer)

- and -

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee

(the "**Indenture Trustee**")

WHEREAS the Government of Ontario has enacted the *Ontario Fair Hydro Act, 2017* (the "**Act**") for the purpose of, among other things, ensuring that clean energy costs and clean energy benefits (each as defined in the Act) are fairly allocated among present and future Specified Consumers;

AND WHEREAS, under the Act, the IESO is required to establish and maintain the Fair Hydro Variance Account, and has the right under the Act and the Regulations to record certain amounts in the Fair Hydro Variance Account and recover the balance from time to time of the Fair Hydro Variance Account from Specified Consumers (such right, the "**Regulatory Asset**");

AND WHEREAS the IESO may from time to time, in accordance with the Act, Transfer a Specified Portion of the Regulatory Asset to the Issuer on a fully-serviced basis, and pursuant to Section 26(3) of the Act, such a Transfer results in (i) a reduction in the balance in the Fair Hydro Variance Account, (ii) the corresponding adjustment of the Regulatory Asset, and (iii) the acquisition by the Issuer of an Investment Interest corresponding to the Specified Portion of the Regulatory Asset;

AND WHEREAS the Issuer may finance the acquisition from the IESO, from time to time, of an Investment Interest through the incurrence of Funding Obligations under the Indenture;

AND WHEREAS the Issuer will grant a security interest over all of the Issuer Investment Interest to and in favour of the Indenture Trustee on behalf of all Specified Creditors;

AND WHEREAS in connection with its ownership of the Issuer Investment Interest and in order to collect the associated Clean Energy Adjustments in accordance with the Act, the Issuer desires to engage the Servicer to carry out the services described herein and the Servicer desires to be so engaged;

AND WHEREAS the Indenture Trustee has been appointed pursuant to the Indenture to act on behalf of all Specified Creditors (as defined in the Indenture) and wishes to acknowledge and accept the rights and obligations granted to it thereby, including, but not limited to, its rights set forth in this Agreement.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**Act**" has the meaning ascribed thereto in the recitals;

"**Agreement**" means this master transfer and servicing agreement, as amended, supplemented, modified, restated or replaced from time to time, and the expressions "herein", "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and not to any Article, Section, paragraph, subparagraph or clause hereof;

"**Billing Period**" means a calendar month in which the Clean Energy Adjustment is billed to Specified Consumers;

"**Board**" means the Ontario Energy Board, a statutory corporation without share capital continued under the *Ontario Energy Board Act, 1998*, S.O., 1998;

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

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations;

"**CEA Consumer Invoice Amounts**" means amounts invoiced by an Electricity Vendor to Specified Consumers in respect of the Clean Energy Adjustment based on the rates established by the Board;

"**Clean Energy Adjustment**" has the meaning ascribed to the term "clean energy adjustment" in the Act;

"**Closing Date**" means the date on which a Transfer is completed as specified in the applicable Transfer Notice;

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the parties hereto and any other owner or owners of an Investment Interest as contemplated by Section 29(5) of the Act in form and substance satisfactory to the parties hereto, acting reasonably;

"**Co-Owner Implementation Date**" means the date, if any, upon which the Issuer Investment Interest ceases to be the only Investment Interest outstanding representing the full Investment Asset;

"**Collection Account**" has the meaning ascribed thereto in Section **[8.02(a)]**[1] of the Indenture;

"**Daily Remittance Event**" means the occurrence of either: (i) a Servicer Default or (ii) the IESO (or any successor thereto) ceasing to have the Required Servicer Rating;

"**Declaration of Trust**" means the declaration of trust made as of ■, 2017 under which the Issuer was established, as may be supplemented, amended, replaced or amended and restated from time to time;

"**Electricity Vendor**" has the meaning ascribed to the term "electricity vendor" in the Act;

"**Electricity Vendor CEA Collections**" means payments actually received by Electricity Vendors from Specified Consumers in respect of Clean Energy Adjustments;

"**Electricity Vendor Billing Period Report**" means a report as contemplated by Section 17(s) of the Act from each Electricity Vendor in respect of each Billing Period where Clean Energy Adjustments are billed to Specified Consumers containing:

(a) its total CEA Consumer Invoice Amounts in such Billing Period;

(b) its total Electricity Vendor CEA Collections during such Billing Period; and

(c) such other information as may be agreed to.

"**Eligible Deposit Account**" means an account in Canada with an Eligible Institution;

"**Eligible Institution**" means:

1 All cross-references to the Indenture to be conformed to the final version of the Indenture.

(a) at any time before the Co-Owner Implementation Date, an "Eligible Institution" as defined in the Indenture; and

(b) at any time on or after the Co-Owner Implementation Date, an "Eligible Institution" as defined in the applicable Co-Owner Agreement;

"**Fair Hydro Variance Account**" means the variance account established by the IESO pursuant to Section 24(1) of the Act;

"**Financing Entity**" has the meaning ascribed to the term "financing entity" in the Act;

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act;

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

"**IESO**" or "**Independent Electricity System Operator**" means the Independent Electricity System Operator, a statutory corporation without share capital established by the *Electricity Act, 1998*, SO, 1998;

[NTD: The Issuer may at some point have to publicly file this Agreement, and a copy of it will be circulated to the rating agencies. Therefore, it seems prudent not to include IESO bank account details in the Agreement.]

"**IESO Deferral**" has the meaning ascribed to the term "IESO deferral" in the Act;

"**IESO Disclosure**" has the meaning ascribed thereto in Section 5.7;

"**IESO Segregated Account**" has the meaning ascribed thereto in Section means the account established under Section 3.4(a);

"**Indemnified Losses**" has the meaning ascribed thereto in Section 6.1(a);

"**Indemnified Party**" has the meaning ascribed thereto in Section 6.1(a);

"**Indenture**" means the master trust indenture dated ■, 2017 between the Indenture Trustee and the Issuer;

"**Indenture Trustee**" means ■, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee for the benefit of Specified Creditors, or any successor thereto, under the Indenture;

"**Insolvency Event**" means, with respect to a specified Person, the specified Person admits the inability of such specified Person to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of such specified Person or otherwise

acknowledges the insolvency of such specified Person or any proceeding shall be instituted by or against such specified Person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization, moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, trustee or other similar official for such specified Person or for any substantial part of its property and if such proceeding has been instituted against such specified Person either such proceeding has not been stayed or dismissed within **[45]** days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part, or if a receiver is privately appointed in respect of such specified Person or of the property of such specified Person or any substantial part thereof;

"**Investment Asset**" has the meaning ascribed to the term "investment asset" in the Act;

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act;

"**Issuer**" means ■, a trust formed under the laws of the Province of Ontario;

"**Issuer Funding Obligations**" means the Funding Obligations of the Issuer;

"**Issuer Investment Interest**" means, initially, the Investment Interest acquired by the Issuer pursuant to the first Transfer completed under this Agreement and, upon the completion of each Transfer thereafter, the cumulative Investment Interest acquired by the Issuer;

"**Issuer Share**" means:

(a) at any time before the Co-Owner Implementation Date, 100%; and

(b) at any time on or after the Co-Owner Implementation Date, the percentage determined in accordance with the applicable Co-Owner Agreement;

"**Issuer Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Issuer at such time;

"**Lien**" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind;

"**Management Agreement**" means the management agreement dated ■, 2017 between the Manager and the Issuer;

"**Manager**" means OPG, in its capacity as manager of the Issuer, and any successor appointed in accordance with the Management Agreement;

"**Minister**" means the Minister of Energy or such other member of the Executive Council as may be assigned the administration of the Act under the *Executive Council Act*;

"**Monthly Carrying Costs**" has the meaning ascribed thereto in Section 3.14(b);

"**Monthly Carrying Costs Statement**" has the meaning ascribed thereto in Section 3.14(b);

"**Monthly Report**" has the meaning ascribed thereto in Section 3.5(a);

"**Officer's Certificate**" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section **[10.01]** of the Indenture, and delivered to the Indenture Trustee;

"**OPG**" means Ontario Power Generation Inc., a corporation established under the laws of the Province of Ontario;

"**Opinion of Counsel**" means one or more written opinions of counsel, which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party;

"**Permitted Successor**" means any successor to the IESO under the Act, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, conversion, acquisition, sale or transfer, by operation of law, as a result of any restructuring, or otherwise, but only to the extent such successor is approved by the Minister;

"**Permitted Transfer**" means (i) a Transfer to the Issuer pursuant to this Agreement; and (ii) a Transfer to a person who has entered into a Co-Owner Agreement with, inter alia, the Issuer.

"**Person**" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority;

"**Proceeding**" means any suit in equity, action at law or other judicial or administrative proceeding;

"**Program Agreements**" has the meaning ascribed thereto in the Indenture;

"**Purchase Price**" has the meaning ascribed thereto in Section 2.1(a);

"**Rating Agency**" has the meaning ascribed thereto in the Indenture;

"**Rating Agency Condition**" has the meaning ascribed thereto in the Indenture;

"**Records**" has the meaning ascribed thereto in Section 7.1;

"**Regulations**" means Ontario Regulation 206/17: General, together with any other regulations promulgated under the Act;

"**Regulatory Asset**" has the meaning ascribed thereto in the recitals;

"**Released Parties**" has the meaning ascribed thereto in Section 6.1(f);

"**Remittance Date**" means, in respect of each Billing Period, the **[3rd]** Business Day following the last day of each Billing Period;

"**Required Servicer Rating**" means ■; **[NTD: Definition to tie to loss of investment grade credit rating.]**

"**Requirement of Law**" means any foreign, Canadian federal, provincial or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law;

"**Responsible Officer**" means, with respect to: (a) the Issuer, any authorized director or officer of the Manager; (b) the Servicer, any authorized director or officer of the IESO; (c) a Successor Servicer, any authorized director or officer of the Successor Servicer; and (d) the Indenture Trustee, any officer of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject);

"**Servicer**" means the Independent Electricity System Operator, as Servicer under this Agreement, or any Successor Servicer to the extent permitted under this Agreement;

"**Servicer CEA Receipts**" has the meaning ascribed thereto in Section 3.4(e);

"**Servicer Default**" has the meaning ascribed thereto in Section 7.1;

"**Specified Consumer**" has the meaning ascribed to the term "specified consumer" in the Act;

"**Specified Creditors**" has the meaning ascribed thereto in the Indenture;

"**Specified Portion**" means, in respect of the Regulatory Asset and any Transfer, the portion of the Regulatory Asset subject to such Transfer, as set out in the applicable Transfer Notice.

"**Successor Servicer**" has the meaning ascribed thereto in Section **[3.07(e)]** of the Indenture;

"**Supplemental Indenture**" means an indenture supplemental to the Indenture that authorizes the incurrence of Funding Obligations;

"**Termination Event**" has the meaning ascribed thereto in Section ■;

"**Termination Notice**" has the meaning ascribed thereto in Section 7.1;

"**Transfer**" has the meaning ascribed to the term "transfer" in the Act, and "**Transferred**" has a corresponding meaning;

"**Transfer Notice**" means a Transfer Notice in respect of a Transfer substantially in the form of Exhibit A to this Agreement and delivered pursuant to Section 2.1(a) of this Agreement; and

"**Transferor**" means the Independent Electricity System Operator, as transferor under this Agreement;

1.2 Sections and Headings[2]

The table of contents does not form part of this Agreement. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

(a) Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. A reference to any agreement, instrument or declaration means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or replaced from time to time.

(b) The term "**including**" means "including without limitation", and other forms of the verb "**include**" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated, in the computation of a period of time from a specified date to a later specified date, the word "**from**" means "**from and including**" and each of the words "**to**" and "**until**" means "**to but excluding**".

(e) The words "**hereof**", "**herein**" and "**hereunder**" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, unless otherwise specified. References to Articles, Sections, Appendices and Exhibits in this Agreement are references to Articles, Sections, Appendices and Exhibits in or to this Agreement unless otherwise specified.

(f) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor.

(g) The word "**will**" shall be construed to have the same meaning and effect as the word "**shall**". The word "**or**" is not exclusive.

2 Torys to conform boilerplate provisions, as applicable, across all transaction documents.

ARTICLE 2
TRANSFER OF SPECIFIED PORTIONS OF THE REGULATORY ASSET

2.1 Transfer Notices and Agreement to Transfer a Specified Portion of the Regulatory Asset

(a) The Transferor may, no more frequently than monthly and no later than the 8th Business Day of any calendar month, offer to Transfer to the Issuer a Specified Portion of the Regulatory Asset by providing to the Issuer a Transfer Notice executed by the Transferor and setting out (i) the Specified Portion of the Regulatory Asset that the Transferor is offering to Transfer to the Issuer, (ii) the consideration to be paid to the Transferor by the Issuer for the Transfer (the "**Purchase Price**") which shall be equal to the amount of such Specified Portion of the Regulatory Asset, (iii) the Closing Date to effect such transfer which shall be no earlier than the **[5th]** Business Day after the delivery of the Transfer Notice and no later than the last Business Day of the calendar month in which the Transfer Notice was delivered, or such other Business Day as may be agreed by the Transferor and the Issuer, and (iv) such other information as required in the form of Transfer Notice attached as Exhibit A hereto.

(b) On or before the 2nd Business Day following receipt of a Transfer Notice, the Issuer shall have the right, but not the obligation, to accept the Transferor's offer to Transfer the Specified Portion of the Regulatory Asset subject to the Transfer Notice by executing and returning such Transfer Notice to the Transferor. Upon acceptance by the Issuer of the Transfer Notice, there shall be a binding agreement for IESO to Transfer the Specified Portion of the Regulatory Asset and for the Issuer to pay the Purchase Price, subject to satisfaction of all conditions precedent in Section 2.2.

(c) Provided that all conditions precedent set out in Section 2.2 have been satisfied on or prior to the applicable Closing Date, on the applicable Closing Date, the Issuer shall deliver or cause to be delivered to the Transferor, by bank wire transfer or bank electronic funds transfer, in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set forth in the applicable Transfer Notice. The Transferor agrees that receipt by the Transferor of the payment referred to in this Section 2.1(c) is receipt by the Transferor of a payment referred to in Section 26(3) of the Act.

(d) Upon receipt by the Transferor of the payment referred to in Section 2.1(c), the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price received and shall retain no further right, title or interest in the corresponding Issuer Investment Interest.

(e) The parties intend that this Agreement, together with each Transfer Notice accepted by the Issuer, constitute an agreement, for purposes of Section 27(2) of the Act for the Transferor to dispose, upon receipt by the Transferor of the payment referred to

in Section 2.1(d), of a Specified Portion of the Regulatory Asset and to assign, convey or sell a corresponding Investment Interest to the Issuer.

2.2 Conditions Precedent to each Transfer of a Specified Portion of the Regulatory Asset

(a) The obligation of the Issuer to pay the Purchase Price related to the initial Transfer of a Specified Portion of the Regulatory Asset shall be subject to the satisfaction by the Transferor, or waiver by the Issuer and the Indenture Trustee, of the following conditions:

(i) the Issuer and the Indenture Trustee shall have received from the Transferor the following documents, in form and substance satisfactory to each of the Issuer and the Indenture Trustee:

(A) a certificate of an officer of the IESO, dated the initial Closing Date certifying (1) that attached thereto is a true and complete copy of the by-laws of the IESO, each as in effect on the date of such certificate, (2) that attached thereto is a true and complete copy of a resolution adopted by the IESO's board of directors authorizing the execution, delivery and performance of this Agreement and the performance by the IESO of its obligations hereunder, and that such resolution has not been modified, rescinded or amended and is in full force and effect, and (3) as to the incumbency and true specimen signature of each of the IESO officers or delegates executing this Agreement and authorized to give notices and instructions hereunder (which can be changed by notice hereunder); and

(B) the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them. **[NTD: Scope of opinions required to be confirmed by the Dealers and their counsel]**

(b) The obligation of the Issuer to pay the Purchase Price related to each Transfer of a Specified Portion of the Regulatory Asset (including the initial Transfer) shall be subject to the satisfaction or waiver by the Issuer and the Indenture Trustee of each of the following conditions:

(i) as of the applicable Closing Date, all Program Agreements shall have been entered into on terms and conditions satisfactory to the Issuer and the Indenture Trustee and shall be in full force and effect as of such Closing Date;

(ii) as of the applicable Closing Date, no Insolvency Event in respect of the Transferor shall have occurred and the Transferor is not aware of any pending Insolvency Event with respect to itself;

(iii) as of the applicable Closing Date, (A) the representations and warranties of the IESO in this Agreement must be true and correct with the same force and effect as if made on that date (except to the extent they relate to an earlier date), (B) no breach of any covenant or agreement of the IESO contained in this Agreement shall have occurred be continuing, and (C) no Servicer Default shall have occurred and be continuing;

(iv) on or prior to the applicable Closing Date, the Transferor shall have taken all action required to provide for the Transfer, upon payment of the Purchase Price, of the Specified Portion of the Regulatory Asset as set forth in the applicable Transfer Notice on the Closing Date, free and clear of all Liens other than Liens created by the Issuer pursuant to the Program Agreements;

(v) the Transferor shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate confirming the satisfaction of each condition precedent specified in Sections 2.2(b)(i), (ii), (iii) and (iv);

(vi) as of the applicable Closing Date, (A) the Issuer shall have sufficient funds available to pay the Purchase Price as set forth in the applicable Transfer Notice, (B) all conditions to any incurrence of Funding Obligations intended to provide such funds set forth in the Indenture (and any applicable Supplemental Indenture) or other instrument shall have been satisfied or waived, (C) the Rating Agency Condition in respect of the issuance of the Funding Obligations funding the payment of the Purchase Price shall have been satisfied, and (D) the Funding Obligation required to fund the payment of the Purchase Price shall have been issued at the same time as, or prior to, the Transfer; and

(vii) after giving effect to the Transfer, each of the Fair Hydro Variance Account and the Regulatory Asset will have a balance or amount, as applicable, equal to or greater than zero.

ARTICLE 3
ROLE OF THE SERVICER

3.1 Designation of Servicer

Each Transfer of a specified portion of the Regulatory Asset shall be made on the basis that the related Issuer Investment Interest shall be serviced by the Servicer in accordance with this Article 3, and the IESO or any Permitted Successor of the IESO that is the Servicer shall not be entitled to receive any further compensation from the Issuer for its services in connection therewith. The Servicer agrees to perform the duties and obligations of the Servicer pursuant to the terms hereof at no additional cost to the Issuer.

3.2 Forecast of Electricity Consumption

The IESO shall:

(a) provide to the Board and the Financial Services Manager the forecasts of electricity consumption by Specified Consumers as contemplated by Section 8(3) of the Regulations; and

(b) provide to the Board and the Financial Services Manager such other information and reports as the Board or the Financial Services Manager may reasonably request in connection with the calculation of the Clean Energy Adjustments and which is reasonably available to the Transferor without incurring material incremental expense.

3.3 ISO Deferral

The IESO shall:

(a) determine the IESO Deferral as required by Section 23 of the Act and the Regulations; and

(b) maintain the Fair Hydro Variance Account as required by Section 24 of the Act and the Regulations.

3.4 Clean Energy Adjustments and Electricity Vendors

The Servicer shall:

(a) prior to receiving Servicer CEA Receipts, establish an Eligible Deposit Account (the "**IESO Segregated Account**") bearing a designation indicating that the funds deposited therein are held in trust for the benefit of the Issuer and, after the Co-Owner Implementation Date, for the benefit of any other owner or owners of an Investment Interest. If at any time the IESO Segregated Account ceases to be an Eligible Deposit Account, the Servicer shall within 30 days establish a new IESO Segregated Account as an Eligible Deposit Account and shall transfer any cash and/or any investments held in the former account to such new account and make all future deposits to such new account;

(b) prior to the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, make reasonable efforts to work with each Electricity Vendor to:

(i) establish a segregated account into which Electricity Vendor CEA Collections are to be deposited as required by Section 10(2) of the Regulations;

(ii) settle a form of Electricity Vendor Billing Period Report to be used by such Electricity Vendor; and

(iii) establish procedures for the invoicing by such Electricity Vendor of amounts in respect of the Clean Energy Adjustment, the identification, deposit and segregation of Electricity Vendor CEA Collections, the remittance of Electricity Vendor CEA Collections to the Servicer and reporting to the Servicer; **[NTD: Generally, someone will need to take responsibility for educating the Electricity Vendors and we believe the IESO is best positioned to take on this role given its existing relationships and opportunities to interact with the EVs.]**

(c) request certification from each Electricity Vendor that the segregated account required by Section 10(2) of the Regulations has been established by that Electricity Vendor;

(d) as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive Electricity Vendor CEA Collections from Electricity Vendors;

(e) as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive any amounts in respect of Clean Energy Adjustments payable directly by Specified Consumers to the Servicer (such amounts, together with the amounts referred to in Section 3.4(d), the "**Servicer CEA Receipts**");

(f) deposit the Servicer CEA Receipts into the IESO Segregated Account promptly following receipt by the Servicer and, in any event, within [two Business Days] of receipt by the Servicer and the Issuer Share of such Servicer CEA Receipts shall remain in the IESO Segregated Account until remitted in accordance with Section 3.6;

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

(h) request from each Electricity Vendor an Electricity Vendor Billing Period Report in respect of each Billing Period during which Clean Energy Adjustments are billed to Specified Consumers; such report to be requested to be delivered within ■ Business Days of the end of each Billing Period;

(i) review each Electricity Vendor Billing Period Report received by the Servicer for material manifest discrepancies including any discrepancy between the Electricity Vendor CEA Collections reported in respect of the Billing Period and the amount remitted pursuant to Section 3.4(d);

(j) make reasonable efforts to contact each Electricity Vendor that:

(i) does not deliver an Electricity Vendor Billing Period Report in respect of a Billing Period where Clean Energy Adjustments were payable by Specified Consumers;

(ii) does not remit any Electricity Vendor CEA Collections in accordance with Section 3.4(d) or remits Electricity Vendor CEA Collections that do not match the amount thereof reported in its Electricity Vendor Billing Period Report,

(iii) delivers an Electricity Vendor Billing Period Report that has any other material manifest discrepancy detected by the Servicer, or

(iv) does not certify that it has established the segregated account required by Section 10(2) of the Regulations,

and attempt to resolve the applicable issue;

(k) on a periodic basis as requested by the Issuer, review, pursuant to its rights under Section 10(4) of the Regulations, the records maintained by each Electricity Vendor with respect to Clean Energy Adjustments; provided that in the absence of evidence of material non-compliance by an Electricity Vendor with its duties and obligations in respect of Clean Energy Adjustments, the Servicer shall not be required to review the records of a Electricity Vendor more often than ■.

(l) hold the Issuer Share of Servicer CEA Receipts and the Issuer Share of any other proceeds in respect of the Clean Energy Adjustment received by it in trust for the benefit of the Issuer and remit such amounts in accordance with this Section 3.6 without any surcharge, fee, offset, charge or other deduction.

3.5 Reporting

The Servicer shall:

(a) on or before the **[8th Business Day]** following the end of each Billing Period, prepare and deliver to the Issuer a written report substantially in the form of Exhibit B (a "**Monthly Report**");

(b) report to the Issuer any delinquencies by Electricity Vendors in respect of the CEA amounts collected and the remittance of Electricity Vendor CEA Collections;

(c) report to the Issuer any unresolved matters referred to in Section 3.4(j);

(d) promptly notify the Issuer in writing of any Requirement of Law hereafter adopted or announced or the occurrence of any other event or circumstance of which it becomes aware that has a material adverse effect on the Servicer's ability to perform its duties and obligations under this Agreement; and

(e) upon the reasonable request of the Issuer, the Indenture Trustee or any Rating Agency, provide to the Issuer, the Indenture Trustee or such Rating Agency, as the case may be, any public financial information in respect of the Servicer, or any material information regarding the Issuer Investment Interest or the Regulatory Asset, to the extent it is reasonably available to the Servicer and as may be

reasonably necessary and permitted by law, to enable the Issuer, the Indenture Trustee or the Rating Agencies to monitor the performance by the Servicer of its duties and obligations hereunder.

3.6 Remittances

(a) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA Receipts received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period.

(b) Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA Receipts on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account on each Business Day.

3.7 Limits to Obligations

Without in any way limiting the duties and obligations of the Servicer arising under the Act or the Regulations, the parties hereto agree the duties and obligations of the Servicer under this Agreement are limited as provided in this Section 3.7.

(a) The Servicer is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from their customers or not remitted by Electricity Vendors to the Servicer.

(b) The Servicer is not responsible for enforcing the obligations of Specified Consumers or Electricity Vendors to invoice, collect or remit Clean Energy Adjustments or any other amounts.

(c) The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations including (i) the invoicing of Specified Consumers in respect of the Clean Energy Adjustment and ancillary matters related thereto; (ii) the collection from Specified Consumers of amounts due in respect of such invoices and the remittance of such payments to the Servicer; (iii) the accuracy of any information provided by the Electricity Vendors; and (iv) any reporting by the Electricity Vendors, including the reporting to the Servicer of the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and the Issuer Share of Electricity Vendor CEA Collections received by such Electricity Vendor.

(d) The Servicer is under no responsibility or obligation to the Issuer with respect to whether the Clean Energy Adjustments funds remitted by the Servicer to Issuer during any or all periods is sufficient to satisfy the Issuer's obligations.

(e) The Servicer is under no obligation to initiate or prosecute any legal action relating to the collection of the Issuer Investment Interest.

3.8 Servicing and Maintenance Standards

(a) The Servicer shall discharge its duties, responsibilities and obligations hereunder with reasonable care and in material compliance the Requirements of Law, including the Act and the Regulations and shall follow standards, policies and procedures in performing its duties as Servicer hereunder that are customary for an electricity market operator and administrator that regularly performs settlement functions. In furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with reasonable care and in material compliance with applicable Requirement of Laws, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to similar settlement activities on its own account.

(b) The Servicer may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising under this Agreement.

(c) Neither the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment.

3.9 Appointments

The Servicer may at any time appoint any Person to act as its agent to perform all or any portion of its obligations as Servicer hereunder; provided however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided further that the Servicer shall remain obligated and be liable for the performance of its obligations under this Agreement without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were performing such obligations. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, and the Issuer shall not have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section 3.11.

3.10 Term

The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off (in each case, a "**Termination Event**"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.

3.11 Resignation of Servicer

The IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and the Rating Agencies at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and the Rating Agencies concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.12 Mergers

Any Person (a) into which the Servicer may be merged, converted or amalgamated and that is a Permitted Successor, (b) that may result from any merger, conversion or amalgamation to which the Servicer shall be a party and that is a Permitted Successor, (c) that may succeed to the properties and assets of the Servicer substantially as a whole and that is a Permitted Successor, or (d) that otherwise is a Permitted Successor, which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Servicer hereunder, shall be the successor to the Servicer under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 4.1 shall have been breached and no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, (ii) the Servicer shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger or succession and such agreement of assumption complies with this Section 3.12 and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (iii) the Servicer shall have given to the Issuer prior written notice of such transaction. When any Person that is a Permitted Successor acquires the properties and assets of the Servicer substantially as a whole or otherwise becomes the successor, by merger, conversion, consolidation, sale, transfer, lease or otherwise, to all or substantially all the assets of the Servicer in accordance with the terms of this Section 3.12, then, upon satisfaction of all of the other conditions of this Section 3.12, the preceding Servicer shall automatically and without further notice be released from all of its obligations hereunder (except for responsibilities for its actions prior to such release).

3.13 The IESO Not to Resign as Servicer

Subject to the provisions of Section 3.12, the IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and each Rating Agency at the earliest practicable time (and, if such communication is not in writing, shall be

confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and each Rating Agency concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.14 IESO Regulatory Obligation to Pay Carrying Costs

(a) During the period beginning on December 1, 2017 and ending on July 31, 2021, the IESO shall, as required under the Regulations, pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs during the period beginning on June 1, 2017 and ending on July 31, 2021.

(b) On or before the 4th Business Day of each calendar month, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of Exhibit C (a "**Monthly Carrying Costs Statement**") setting out the amount of Carrying Costs in respect of the preceding calendar month ("**Monthly Carrying Costs**").

(c) On or before the 8th Business Day following receipt by the IESO of the Monthly Carrying Costs Statement, the IESO shall, as required under the Regulations, deliver or cause to be delivered to the Issuer, by wire transfer or electronic funds transfer in immediately available funds, an amount in Canadian dollars equal to the Monthly Carrying Costs set forth in the applicable Monthly Carrying Costs Statement.

3.15 IESO Security for CEA Remittances

If required by the Issuer, the IESO shall provide to the Issuer, on or prior to the first day of the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, a letter of credit in an amount equal to $■, or such other form of security as may be acceptable to the Issuer and the Indenture Trustee, as security for any failure of Electricity Vendors, following [July 31, 2021], to remit the Electricity Vendor CEA Collections.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE IESO

4.1 Representations and Warranties

Subject to Section 4.3, the IESO makes the following representations and warranties as of the date hereof and as of each applicable Closing Date, and the IESO acknowledges that the Issuer and the Indenture Trustee will rely thereon in paying the Purchase Price related to Transfers of Specified Portions of the Regulatory Asset, and the Issuer has relied thereon in entering into this Agreement relating to the servicing of the corresponding Investment Interests.

(a) Organization and Good Standing. The IESO is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite corporate power and

authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it.

(b) Due Qualification. The IESO has obtained all necessary licences and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including acting as Servicer under this Agreement) shall require such licences or approvals, except where the failure to so qualify or obtain such licences and approvals would not be reasonably likely to have a material adverse effect on the IESO's business, operations, assets, revenues or properties, the Regulatory Asset or the servicing of related Investment Interests.

(c) Power and Authority. The IESO has the requisite corporate power and authority to execute and deliver this Agreement and to carry out its terms. The IESO has full corporate power and authority to hold the Regulatory Asset and to Transfer Specified Portions of the Regulatory Asset to the Issuer and the IESO has duly authorized such Transfer to the Issuer by all necessary corporate action. The execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary corporate action on the part of the IESO under all applicable laws.

(d) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the IESO, enforceable against the IESO in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof by the IESO do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time, or both) a default under, the IESO's by-laws, or any indenture, or other material agreement or instrument to which the IESO is a party or by which it is bound, result in the creation or imposition of any Lien upon any of the IESO's properties pursuant to the terms of any such indenture, agreement or other instrument or violate any existing law or any order, rule or regulation applicable to the IESO issued by any Governmental Authority having jurisdiction over the IESO or its properties.

(f) No Proceedings. To the IESO's knowledge, there are no Proceedings pending or threatened against the IESO or its properties: (a) asserting the invalidity of this Agreement or the Act, (b) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Act, or (c) seeking a determination or ruling that could reasonably be expected to materially and adversely affect the performance by the IESO of its obligations under, or the validity or enforceability of, this Agreement or the Act.

(g) Approvals. No approvals, authorizations, consents, orders or other actions or filings with any Governmental Authority are required for the IESO to execute, deliver and perform its obligations under this Agreement except those which have previously been obtained or made.

(h) Information. At the date hereof and as of each applicable Closing Date, except in respect of information provided by a third party, all written information, as amended or supplemented from time to time, provided by the Transferor to the Issuer with respect to the Regulatory Asset is true and correct in all material respects and does not omit any material facts.

(i) The Transfer. After the completion of the Transfer on the applicable Closing Date, the IESO will have no right, title or interest in the Investment Interest related to the Specified Portion of the Regulatory Assets as set forth in the applicable Transfer Notice and the related Investment Interest shall not form part of the estate of the IESO in the event of an Insolvency Event in respect of the IESO.

(j) No Transfer. Except for Permitted Transfers, the IESO has not sold, transferred, assigned or otherwise conveyed any interest in the Regulatory Asset to any Person.

(k) Liens. IESO has not pledged or otherwise granted a Lien to any Person in the Regulatory Asset and to the IESO's knowledge (after due inquiry), there is no registered financing statement listing the IESO as debtor covering or extending to the Regulatory Asset.

(l) Tax Liens. The IESO (i) is not aware, after due inquiry, of any judgment or tax lien filing against the IESO, and (ii) is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada).

(m) Solvency. On the date hereof and after giving effect to each Transfer, the IESO:

(i) reasonably believes that it will be able to pay its debts as they come due; and

(ii) is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

(n) No Court Order. There is no order by any court that seeks to enjoin the performance of any obligations of the IESO under the Act or this Agreement.

4.2 Survival

The representations and warranties set forth in Section 4.1 shall survive the execution and delivery of this Agreement, each Transfer of an Investment Interest to the Issuer and the pledge thereof to the Indenture Trustee pursuant to the Indenture and may not be waived by any party hereto except pursuant to a written agreement executed in accordance with Section 8.1 and as to which the Rating Agency Condition has been satisfied.

4.3 Limitations on Representations and Warranties

Notwithstanding anything in this Agreement to the contrary, the IESO makes no representation or warranty with respect to the collectability of the Issuer Share of Servicer CEA Receipts or that the Issuer Share of Servicer CEA Receipts be sufficient to satisfy the Issuer's Funding Obligations.

ARTICLE 5
COVENANTS OF THE IESO

5.1 Existence

So long as any Issuer Funding Obligations are outstanding, the IESO (a) will keep in full force and effect its existence and remain validly existing under the laws of the Province of Ontario, and (b) will obtain and preserve its qualifications to do business in each jurisdiction in which such qualification is or will be necessary to protect the validity and enforceability of this Agreement and each other instrument or agreement to which the IESO is a party necessary for the proper administration of this Agreement and the transactions contemplated hereby.

5.2 No Transfer or Liens

Except for Transfers under this Agreement to the Issuer or Permitted Transfers, the IESO will not Transfer the Regulatory Asset or any portion thereof to any person. The IESO will not grant, create, incur, assume or suffer to exist any Lien on the Regulatory Asset or any portion thereof. The IESO will not at any time assert any Lien against or with respect to the Issuer Investment Interest, and will defend the right, title and interest of the Issuer and of the Indenture Trustee, on behalf of the Specified Creditors, in, to and under the Issuer Investment Interest against all claims of third parties claiming through or under the Transferor.

5.3 Notice of Liens

The IESO shall notify the Issuer and the Indenture Trustee promptly after becoming aware of any Lien on any portion of the Regulatory Asset.

5.4 Compliance with Law

The IESO will comply with all Requirements of Law applicable to, and binding upon, the IESO or relating to the Regulatory Asset, the Investment Asset or Investment Interests, except to the extent that failure to so comply would not materially adversely affect the Issuer's or the Indenture Trustee's interests in the Issuer Investment Interest, the value of the Issuer Investment Interest, the timing or amount of Clean Energy Adjustments payable by Specified Consumers or the IESO's performance of its obligations under this Agreement; provided, however, that the foregoing is not intended to, and shall not, impose any liability on the IESO for non-compliance with any Requirement of Law that the IESO is contesting in good faith in accordance with its customary standards and procedures.

5.5 Covenants Related to the Investment Interest

(a) So long as any Issuer Funding Obligations are outstanding, the IESO shall treat the Issuer Investment Interest as the Issuer's property for all purposes.

(b) Except for passive investments held for employee benefit purposes, the IESO shall not at any time become a holder of Issuer Funding Obligations.

(c) The IESO shall disclose the effects of all transactions between the IESO and the Issuer in accordance with generally accepted accounting principles (for government entities).

(d) (i) In all Proceedings relating directly or indirectly to the Issuer Investment Interest, the IESO shall affirmatively certify and confirm that it has Transferred all of its rights and interests in and to the Specified Portion of the Regulatory Asset giving rise to the Issuer Investment Interest, (ii) the IESO shall not make any statement or reference in respect of the Issuer Investment Interest that is inconsistent with the ownership interest of the Issuer, and (iii) the IESO shall not take any action in respect of the Issuer Investment Interest except solely in its capacity as the Servicer thereof pursuant to this Agreement.

5.6 Non-petition Covenants

Notwithstanding any prior termination of this Agreement or the Indenture, the IESO shall not, prior to the date that is one year plus one day after termination of the Indenture and the payment in full of all Issuer Funding Obligations and any other amounts owed under the Indenture, petition or otherwise invoke the process of any Governmental Authority for the purpose of commencing or sustaining a Proceeding against the Issuer under any Canadian bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official or any substantial part of the property of the Issuer.

5.7 Disclosure

The IESO shall provide such non-confidential information regarding IESO, the Regulatory Asset and the services provided by the Servicer hereunder (collectively, the "**IESO Disclosure**") as may be reasonably requested by the Issuer for inclusion in any offering document of the Issuer from time to time, including but not limited to offering memoranda, prospectuses, registration statements and continuous disclosure documents and represents that, except in respect information provided by a third party, all such information is, as at the respective dates of delivery to the Issuer, true and correct in all material respects, contains no misrepresentation and constitutes full, true and plain disclosure of all material facts relating to the IESO Disclosure.

5.8 Further Assurances

Upon the request of the Issuer, the IESO shall execute and deliver such further instruments and do such further acts as may reasonably be necessary to carry out the provisions and purposes of this Agreement.

5.9 Access to Certain Records and Information Regarding Investment Interest

The IESO shall provide to the Issuer and the Indenture Trustee access to all records relating to the IESO Deferral, the Fair Hydro Variance Account, the IESO Segregated Account and Servicer CEA Receipts, as is reasonably required for the Issuer and the Indenture Trustee to confirm compliance by the IESO with its obligations under this Agreement. Access shall be afforded without charge, but only upon reasonable request and during normal business hours at the offices of the IESO. Nothing in this Section 5.9 shall affect the obligation of the IESO to comply with any Requirement of Law prohibiting disclosure of information, and the failure of the IESO to provide access to such information as a result of such obligation shall not constitute a breach of this Section 5.9.

5.10 Maintenance of Operations

Subject to Section 3.12, the IESO agrees to continue, unless prevented by circumstances beyond its control, to operate as the electricity system operator in the Province of Ontario so long as it is acting as the Servicer under this Agreement.

ARTICLE 6
IESO INDEMNITIES

6.1 Liability of the IESO; Indemnities

(a) The IESO shall indemnify the Issuer, the Indenture Trustee (for itself and for the benefit of the Specified Creditors), the Manager and each of their respective trustees, officers, directors, employees and agents (each, an "**Indemnified Party**"), for, and defend and hold harmless each such Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "**Indemnified Losses**") imposed on, incurred by or asserted against any such Person as a result of (i) the failure of the IESO to perform its covenants and other obligations under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and (ii) the IESO's breach of any of its representations or warranties under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and, except to the extent of Indemnified Losses resulting from the willful misconduct, bad faith or gross negligence of such Person seeking indemnification hereunder; provided that, in each case, the IESO shall not be required to indemnify an Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any Proceeding or investigation without the written consent of the IESO, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Party of notice of the commencement of any Proceeding or investigation, such Indemnified Party shall, if a claim in respect thereof is to be made against the IESO under this Section 6.1(a), notify the IESO in writing of the commencement thereof. Failure by an Indemnified Party to so notify the IESO shall relieve the IESO from the obligation to indemnify and hold harmless such Indemnified Party under this Section 6.1(a) only to the extent that the IESO

suffers actual prejudice as a result of such failure. With respect to any Proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.1(a), the IESO shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Party, the defence of any such Proceeding or investigation (in which case the IESO shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Party except as set forth below); provided, that the Indemnified Party shall have the right to participate in such Proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the IESO's election to assume the defence of any Proceeding or investigation, the Indemnified Party shall have the right to employ separate counsel, and the IESO shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the defendants in any such action include both the Indemnified Party and the IESO and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it that are different from or additional to those available to the IESO, (ii) the IESO shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, (iii) the IESO authorizes the Indemnified Party to employ separate counsel at the expense of the IESO, or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the IESO shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Parties other than one local counsel, if appropriate. The IESO will not, without the prior written consent of the Indemnified Party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or Proceeding in respect of which indemnification may be sought under this Section 6.1(a) (whether or not the Indemnified Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising out of such claim or Proceeding.

(b) For purposes of Section 6.1(a), in the event of the termination of the rights and obligations of the IESO (or any successor thereto pursuant to Section 3.12) as Servicer pursuant to Section 7.1, or a resignation by such Servicer pursuant to Section 3.11 of this Agreement, the IESO shall be deemed to be the Servicer pending appointment of a Successor Servicer pursuant to Section 7.2.

(c) Indemnification under Section 6.1(a) shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable legal fees and expenses), except as otherwise expressly provided in this Agreement.

(d) Indemnification under this Section 6.1 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Act and shall survive the resignation or removal of the Indenture Trustee or the termination of this Agreement and will rank *pari passu* with other general, unsecured obligations of the IESO.

(e) The IESO shall not be required to indemnify any party under this Section 6.1 for any losses resulting from changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision.

(f) Except to the extent expressly provided in this Agreement (including the payment of the Purchase Price), the IESO hereby releases and discharges the Issuer and each of its trustees, officers, directors and agents (collectively, the "**Released Parties**"), from any and all actions, claims and demands whatsoever, whenever arising, which the IESO, in its capacity as Servicer or otherwise, shall or may have against any such Person relating to the Investment Interest or the IESO's activities with respect thereto, other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

ARTICLE 7
SERVICER DEFAULT

7.1 Servicer Default

If any one or more of the following events (each, a "**Servicer Default**") shall occur and be continuing:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of **[two/three] [NTD: Rating Agencies will expect 2-3 days]** Business Days after written notice of such failure is received by the Servicer from the Issuer or the Indenture Trustee or after discovery of such failure by a Responsible Officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, duly to observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in this Agreement (other than as provided in Section 7.1(a)) or any other Program Agreement to which it is a party, which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or to the Servicer or the IESO, as the case may be, by the Indenture Trustee or (B) such failure is discovered by a Responsible Officer of the Servicer;

(c) any representation or warranty made by the Servicer in this Agreement, any other Program Agreement or in any Monthly Report, shall prove to have been incorrect when made, which has a material adverse effect on the Issuer, the Indenture Trustee or any other Specified Creditor and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer (with a copy to the Indenture

Trustee) by the Issuer or the Indenture Trustee or (ii) such failure is discovered by a Responsible Officer of the Servicer;

(d) an Insolvency Event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs;

then, and in each and every case, the Indenture Trustee shall, upon the instruction of the Specified Creditors as provided for under the Trust Indenture, subject to the terms of any Co-Owner Agreement, by notice then given in writing to the Servicer (and to the Indenture Trustee if given by the Specified Creditors) (a "**Termination Notice**"), terminate all the rights and obligations (other than the obligations set forth in Section 6.1 and the obligation under Section 7.2 to continue performing its functions as Servicer until a Successor Servicer is appointed) of the Servicer under this Agreement and under the Co-Owner Agreement. In addition, upon a Servicer Default described in Section 7.1(a), the Specified Creditors and the Indenture Trustee (or any of their representatives) shall be entitled to apply to a court of appropriate jurisdiction for an order for sequestration and payment of revenues arising with respect to the Issuer. On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Agreement, whether with respect to the Investment Interest, the Clean Energy Adjustments or otherwise, shall, without further action, pass to and be vested in such Successor Servicer as may be appointed under Section 7.2; and, without limitation, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of all documents and records related to the Regulatory Asset, the Fair Hydro Variance Account and related documents or records, or otherwise (the "**Records**"). The predecessor Servicer shall cooperate with the Successor Servicer, the Issuer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the Successor Servicer for administration by it of all Records and all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Investment Interest or the Clean Energy Adjustment. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Records to the Successor Servicer. If a Successor Servicer has been appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable legal fees and expenses) incurred in connection with transferring the Records to the Successor Servicer and amending this Agreement and any Co-Owner Agreement to reflect such succession as Servicer pursuant to this Section 7.1 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. Termination of the IESO as Servicer shall not terminate the IESO's rights or obligations under this Agreement (except rights thereunder deriving from its rights as the Servicer hereunder).

7.2 Appointment of Successor Servicer

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 7.1 or the Servicer's resignation or removal in accordance with the terms of this Agreement, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, until a Successor Servicer shall have assumed in writing the

obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Indenture Trustee may, and at the written direction and with the consent of the Specified Creditors as provided for under the Trust Indenture shall, but subject to the provisions of the applicable Co-Owner Agreement, appoint a Successor Servicer with the Issuer's prior written consent thereto (which consent shall not be unreasonably withheld), and the Successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuer. If, within 30 days after the delivery of the Termination Notice, a Successor Servicer shall not have been appointed, the Indenture Trustee may, at the direction of Specified Creditors as provided for under the Trust Indenture, petition a court of competent jurisdiction to appoint a Successor Servicer under this Agreement. A Person shall qualify as a Successor Servicer only if (i) such Person is permitted under the Act to perform the duties of the Servicer, (ii) the Rating Agency Condition shall have been satisfied with respect to such appointment, (iii) such Person enters into a master transfer and servicing agreement with the Issuer having substantially the same provisions as this Agreement and (iv) such Person agrees to perform the obligations of the Servicer under any Co-Owner Agreement. In no event shall the Indenture Trustee be liable for its appointment of a Successor Servicer. The Indenture Trustee's expenses incurred under this Section 7.2(a) shall be at the sole expense of the Issuer and payable from the Collection Account as provided in **[Section 8.02]** of the Indenture.

(b) Upon appointment, the Successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter placed on the predecessor Servicer and shall be entitled to all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

7.3 Waiver of Past Defaults

The Indenture Trustee, with the written consent of Specified Creditors as provided for under the Trust Indenture, may waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to the Collection Account in accordance with this Agreement. Upon any such waiver of a past default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

7.4 Notice of Servicer Default

The Servicer shall deliver to the Issuer, the Manager, the Indenture Trustee and the Rating Agencies promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice of any event that, with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 7.1.

7.5 Cooperation with Successor Servicer

The Servicer covenants and agrees with the Issuer that it will, on an ongoing basis, cooperate with the Successor Servicer and provide whatever information is, and take whatever actions are, reasonably necessary to assist the Successor Servicer in performing its obligations hereunder.

ARTICLE 8
MISCELLANEOUS

8.1 Amendment

This Agreement may be amended in writing by the IESO, the Issuer and the Indenture Trustee and with satisfaction of the Rating Agency Condition. Promptly after the execution of any such amendment, the Issuer shall furnish copies of such amendment to each of the Rating Agencies.

8.2 Withholding Rights

The parties shall be entitled to deduct and withholding from amounts payable under this Agreement such amounts as each is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

8.3 No Partnership

Each party expressly disclaims any intention to create a partnership, and none of the Issuer, the IESO or the Indenture Trustee will be deemed to be carrying on business in partnership by reason of its execution and delivery of this Agreement or the exercise or performance by it of its respective rights and obligations hereunder.

8.4 Notices

Any notice, report or other communication given hereunder shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (b) upon receipt when sent by an overnight courier, (c) on the date personally delivered to an authorized officer of the party to which sent, or (d) on the date transmitted by electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the IESO, in its capacity as Transferor or Servicer:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, Ontario M5H 1T1

Attention: Chief Financial Officer, General Counsel and Associate General Counsel
Email: ■

(b) in the case of the Issuer or the Manager (on behalf of the Issuer):

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

(c) in the case of the Indenture Trustee:

■
[Address]

Attention: ■
Email: ■

Each party hereto may, by notice given in accordance herewith to the other party or parties hereto, designate any further or different address to which subsequent notices, reports and other communications shall be sent. Any notice, report or communication required to be given by the IESO hereunder to a Rating Agency shall be given to the address provided by the Issuer from time to time.

8.5 Assignment

Notwithstanding anything to the contrary contained herein, except as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the IESO.

8.6 Limitations on Rights of Third Parties

The provisions of this Agreement are solely for the benefit of the IESO, the Issuer and, to the extent provided herein or in the other Program Agreements, the Indenture Trustee (for its own benefit and for the benefit of the Specified Creditors) and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Issuer Investment Interest or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

8.7 Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.8 Separate Counterparts; Electronic Delivery

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by a party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

8.9 Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party to this Agreement attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

8.10 Grant of Security Interest to Indenture Trustee

The IESO hereby acknowledges and consents to the grant of a Lien by the Issuer to the Indenture Trustee pursuant to the Indenture for the benefit of the Specified Creditors against all right, title and interest of the Issuer in, to and under this Agreement, the Investment Interest and the proceeds thereof and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Specified Creditors.

8.11 Limitation of Liability of Indenture Trustee

It is expressly understood and agreed by the parties hereto that this Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee on behalf of the Specified Creditors, in the exercise of the powers and authority conferred and vested in it. The Indenture Trustee in acting hereunder is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

8.12 Limitation of Liability of the Issuer Trustee

(a) It is expressly understood and agreed by the parties hereto that the Issuer Trustee is acting solely in its capacity as trustee of the Issuer, and not in any other capacity. The Issuer solely shall be responsible for the performance of the Issuer's obligations hereunder and the assets of the Issuer solely shall be subject to levy or execution in satisfaction of such obligations.

(b) The Issuer Trustee will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by the Issuer Trustee to be taken, or the Issuer Trustee's failure to compel in any way any former or acting Issuer Trustee to redress any breach of trust with respect to the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, provided that the foregoing limitation will not apply in respect of action or failure to act arising from or in connection with dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee, in doing anything or permitting anything to be done in respect of the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, is, and will be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 8.12, the Issuer Trustee will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the Issuer Trustee owned in its personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

(c) The holders of the units of the Issuer will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by it to be taken. The holders of the units of the Issuer will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the holders of the units of the Issuer owned in their personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

8.13 Waivers

Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof; provided, however, that no such waiver delivered by the Issuer shall be effective unless the Indenture Trustee has given its prior written consent thereto. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party, with prompt written notice of any such waiver to be provided to the Rating Agencies. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any

way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

[INDENTURE TRUSTEE]
as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT A

FORM OF TRANSFER NOTICE

See attached

TRANSFER NOTICE

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

This Transfer Notice is delivered to you pursuant to Section 2.1 of a master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Master Transfer and Servicing Agreement.

The Transferor hereby gives notice to the Issuer of its offer to transfer to the Issuer on the Closing Date set out below, on a fully serviced basis, the Specified Portion of the Regulatory Asset set out below, all in accordance with the terms and conditions of the Master Transfer and Servicing Agreement. In consideration for (i) the Transferor's Transfer to the Issuer of the Specified Portion of the Regulatory Asset set out below, on a fully serviced basis, the Issuer shall deliver or cause to be delivered to the Transferor on the Closing Date set out below, by wire transfer in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set out below.

Upon receipt by the Transferor of the Purchase Price on the Closing Date, (i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price, and the Regulatory Asset shall be adjusted accordingly; and (ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any adverse claim, and shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest.

Specified portion of Regulatory Asset: $■

Purchase Price: $■

Closing Date: ■

The Transferor hereby represents, warrants and confirms that:

(i) each of the representations and warranties on the part of the Transferor contained in the Master Transfer and Servicing Agreement are true and correct in all respects on the date hereof as if made on the date hereof;

(ii) the Transferor is not in breach of any of its covenants in the Master Transfer and Servicing Agreement; and

(iii) as of the date hereof, each condition precedent that must be satisfied by the Transferor under Section 2.2 of the Master Transfer and Servicing Agreement is capable of being satisfied prior to Closing Date.

The closing shall take place at ■ (Toronto time) on the Closing Date referred to above at the offices of ■, except as may be otherwise mutually agreed. The Purchase Price shall be paid on that date by bank wire transfer to [insert IESO bank account details].

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

The undersigned hereby accepts the foregoing offer.

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT B

FORM OF MONTHLY REPORT

See Attached

MONTHLY REPORT

[NTD: Subject to continuing review by the Dealers and their counsel.]

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and by **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Report have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ■ of the Master Transfer and Servicing Agreement the Servicer hereby certifies in respect of the Billing Period corresponding to the calendar month of ■, ■, as follows:

	Item	**Amount**
(A)	Servicer CEA Receipts:	$■
(B)	Balance of Collection Account:	$■

[NTD: Any additional information considered necessary for OPG/IESO to be included.]

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT C

FORM OF MONTHLY CARRYING COSTS STATEMENT

See Attached

MONTHLY CARRYING COSTS STATEMENT

TO: INDEPENDENT ELECTRICITY SYSTEM OPERATOR
[Address]

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Carrying Costs Statement have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section 3.14 of the Master Transfer and Servicing Agreement, the undersigned hereby certifies that the Monthly Carrying Costs in respect of the calendar month of ■, ■ are as follows:

		Amount
Funding costs:		$■
Derivative payments to be made:		$■
Amounts deposited into accounts other than capital accounts:		$■
Financing entity expenses:		$■
Tax liabilities:		$■
	Subtotal:	**$■**
LESS:		
Amounts withdrawn from accounts other than capital accounts:		
Derivative payments to be received:		
Tax refunds:		**$■**
	Subtotal:	**$■**
Monthly Carrying Costs		**$■**

In accordance with Section 3.14(b) of the Master Transfer and Servicing Agreement, the undersigned hereby directs you to deliver to the Issuer, by wire transfer to the account set forth below, an amount in Canadian dollars equal to the Monthly Carrying Costs set forth above on or before ■, 20■, and this shall be your good and valid authority for so doing.

[NTD: Wire transfer instructions to be provided by OPG.]

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

MASTER TRANSFER AND SERVICING AGREEMENT

between

[FINANCING ENTITY]
as Issuer

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

~~Acknowledged~~ and ~~Accepted by~~

■
as Indenture Trustee

Dated as of ■, 2017

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MASTER TRANSFER AND SERVICING AGREEMENT

THIS AGREEMENT made as of ■, 2017.

BETWEEN:

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario

(the "**Issuer**")

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital amalgamated under the laws of the Province of Ontario

(the "**Transferor**" in its capacity as transferor, the "**Servicer**", in its capacity as servicer, and the "**IESO**" in its capacity as both Transferor and Servicer)

- ~~acknowledged~~ and ~~accepted by~~ -

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee

(the "**Indenture Trustee**")

WHEREAS the Government of Ontario has enacted the *Ontario Fair Hydro Act, 2017* (the "**Act**") for the purpose of, among other things, ensuring that clean energy costs and clean energy benefits (each as defined in the Act) are fairly allocated among present and future Specified Consumers;

AND WHEREAS, under the Act, the IESO is required to establish and maintain the Fair Hydro Variance Account, and has the right under the Act and the Regulations to record certain amounts in the Fair Hydro Variance Account and recover the balance from time to time of the Fair Hydro Variance Account from Specified Consumers (such right, the "**Regulatory Asset**");

AND WHEREAS the IESO may from time to time, in accordance with the Act, Transfer a ~~specified portion~~**Specified Portion** of the Regulatory Asset to the Issuer on a fully-serviced

basis, and pursuant to Section 26(3) of the Act, such a Transfer ~~shall result~~results in (i) a reduction in the balance in the Fair Hydro Variance Account, (ii) the corresponding adjustment of the Regulatory Asset, and (iii) the acquisition by the Issuer of an Investment Interest corresponding to the ~~specified portion~~Specified Portion of the Regulatory Asset;

AND WHEREAS the Issuer may finance the acquisition from the IESO, from time to time, of an Investment Interest through the incurrence of Funding Obligations under the Indenture;

AND WHEREAS the Issuer will grant a security interest over all of the Issuer Investment Interest to and in favour of the Indenture Trustee on behalf of all Specified Creditors;

AND WHEREAS in connection with its ownership of the Issuer Investment Interest and in order to collect the associated Clean Energy Adjustments in accordance with the Act, the Issuer desires to engage the Servicer to carry out the services described herein and the Servicer desires to be so engaged;

AND WHEREAS the Indenture Trustee has been appointed pursuant to the Indenture to act on behalf of all Specified Creditors (as defined in the Indenture) and wishes to acknowledge and accept the rights and obligations granted to it thereby, including, but not limited to, its rights set forth in this Agreement.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**Act**" has the meaning ascribed thereto in the recitals;

~~"**Administrative Agent**" means OPG, in its capacity as administrative agent of the Issuer;~~

~~"**Administrative Services Agreement**" means the administrative services agreement dated ■, 2017 between the Administrative Agent and the Issuer concerning the reimbursement of certain costs incurred by the Administrative Agent in connection with the administration of the Issuer;~~

~~"**Affiliate**" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "**control**" when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the~~

~~ownership of voting securities, by contract or otherwise, and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing;~~

"**Agreement**" means this master transfer and servicing agreement, as amended, supplemented, modified, restated or replaced from time to time, and the expressions "herein", "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and not to any Article, Section, paragraph, subparagraph or clause hereof;

"**Billing Period**" means a calendar month in which the Clean Energy Adjustment is billed to Specified Consumers;

"**Board**" means the Ontario Energy Board, a statutory corporation without share capital continued under the *Ontario Energy Board Act, 1998*, S.O., 1998;

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are~~, or the office of the Indenture Trustee is,~~ authorized or obligated by law, regulation or executive order to be closed;

"Carrying Costs" has the meaning ascribed to the term "carrying costs" in the Regulations;

"**CEA Consumer Invoice Amounts**" means amounts invoiced by an Electricity Vendor to Specified Consumers in respect of the Clean Energy Adjustment based on the rates established by the Board;

"**Clean Energy Adjustment**" has the meaning ascribed to the term "clean energy adjustment" in the Act;

"**Closing Date**" means the date on which a Transfer is completed as specified in the applicable Transfer Notice;

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the ~~Issuer~~**parties hereto** and any other owner or owners of an Investment Interest as contemplated by ~~subsection~~**Section** 29(5) of the Act **in form and substance satisfactory to the parties hereto, acting reasonably**;

"**Co-Owner Implementation Date**" means the date, if any, upon which the Issuer Investment Interest ceases to be the only Investment Interest outstanding representing the full Investment Asset;

"**Collection Account**" has the meaning ascribed thereto in Section **[8.02(a)]**[1] of the Indenture;

~~"**Corporate Trust Office**" means the office of the Indenture Trustee at which, at any particular time, its corporate trust business shall be administered, which office as of the date hereof is located at ■; Telephone: ■; Email: ■, or at such other address as the Indenture Trustee may designate from time to time by notice to the Specified Creditors and the Issuer, or the principal corporate trust office of any successor trustee designated by like notice;~~

[1] All cross-references to the Indenture to be conformed to the final version of the Indenture.

"**Daily Remittance Event**" means ~~■ [NTD: Definition to be tied to the loss of investment grade ratings of the IESO]~~the occurrence of either: (i) a Servicer Default or (ii) the IESO (or any successor thereto) ceasing to have the Required Servicer Rating;

"**Declaration of Trust**" means the declaration of trust made as of ■, 2017 under which the Issuer was established, as may be supplemented, amended, replaced or amended and restated from time to time;

~~"**Electricity Act**" means the *Electricity Act, 1998*, SO, 1998;~~

"**Electricity Vendor**" has the meaning ascribed to the term "electricity vendor" in the Act;

"**Electricity Vendor CEA Collections**" means payments actually received by Electricity Vendors from Specified Consumers in respect of Clean Energy Adjustments;

"**Electricity Vendor Billing Period Report" means a report as contemplated by Section 17(s) of the Act from each Electricity Vendor in respect of each Billing Period where Clean Energy Adjustments are billed to Specified Consumers containing:**

(a) **its total CEA Consumer Invoice Amounts in such Billing Period;**

(b) **its total Electricity Vendor CEA Collections during such Billing Period; and**

(c) **such other information as may be agreed to.**

"Eligible Deposit Account" means an account in Canada with an Eligible Institution;

"**Eligible Institution**" means:

(a) at any time before the Co-Owner Implementation Date, an "Eligible Institution" as defined in the Indenture; and

(b) at any time on or after the Co-Owner Implementation Date, an "Eligible Institution" as defined in the applicable Co-Owner Agreement;

"**Fair Hydro Variance Account**" means the variance account established by the IESO pursuant to ~~subsection~~**Section** 24(1) of the Act;

~~"**Finance Reserve Deposit**" has the meaning ascribed to the term "finance reserve deposit" in the Regulations;~~

"**Financing Entity**" has the meaning ascribed to the term "financing entity" in the Act;

~~"**Financing Entity Expenses**" has the meaning ascribed to the term "financing entity expense" in the Regulations;~~

~~"**Funding Cost**" has the meaning ascribed to the term "funding cost" in the Regulations;~~

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act;

~~["**Funding Rebate**" has the meaning ascribed thereto in Section 3.4(b);]~~**[NTD: Terminology and provisions relating to IESO payment of carrying costs during the moratorium period subject to finalization of regulations creating this obligation.]**

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

"**IESO**" or "**Independent Electricity System Operator**" means the Independent Electricity System Operator, a statutory corporation without share capital established by the *Electricity Act*, *1998*, SO, 1998;

[NTD: The Issuer may at some point have to publicly file this Agreement, and a copy of it will be circulated to the rating agencies. Therefore, it seems prudent not to include IESO bank account details in the Agreement.]

"**IESO Deferral**"~~, at any time, means the amount determined by the IESO under subsection 23(1) of the Act and sections 15 and 16 of the Regulations and recorded by the IESO under subsection 24(1) of the Act in the Fair Hydro Variance Account at such time~~ **has the meaning ascribed to the term "IESO deferral" in the Act**;

"**IESO Disclosure**" has the meaning ascribed thereto in Section 5.7;

"**IESO Segregated Account**" **has the meaning ascribed thereto in Section** means the account established under Section ~~3.3~~**3.4**(a);

"**Indemnified Losses**" has the meaning ascribed thereto in Section 6.1(a);

"**Indemnified Party**" has the meaning ascribed thereto in Section 6.1(a);

"**Indenture**" means the master trust indenture dated ■, 2017 between the Indenture Trustee and the Issuer;

"**Indenture Trustee**" means ■, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee for the benefit of Specified Creditors, or any successor thereto, under the Indenture;

"**Insolvency Event**" means, with respect to a specified Person, the specified Person admits the inability of such specified Person to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of such specified Person or otherwise acknowledges the insolvency of such specified Person or any proceeding shall be instituted by or against such specified Person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization,

moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, trustee or other similar official for such specified Person or for any substantial part of its property and if such proceeding has been instituted against such specified Person either such proceeding has not been stayed or dismissed within **[45]** days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part, or if a receiver is privately appointed in respect of such specified Person or of the property of such specified Person or any substantial part thereof;

"**Investment Asset**" has the meaning ascribed to the term "investment asset" in the Act;

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act;

"**Issuer**" means ■, a trust formed under the laws of the Province of Ontario;

"**Issuer Funding Obligations**" means the Funding Obligations of the Issuer;

"**Issuer Investment Interest**" means, initially, the Investment Interest acquired by the Issuer pursuant to the first Transfer completed under this Agreement and, upon the completion of each Transfer thereafter, the cumulative Investment Interest acquired by the Issuer;

"**Issuer Share**" means:

(a) at any time before the Co-Owner Implementation Date, 100%; and

(b) at any time on or after the Co-Owner Implementation Date, the percentage determined in accordance with the applicable Co-Owner Agreement;

"**Issuer Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Issuer at such time;

"**Lien**" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind;

"**Management Agreement**" means the management agreement dated ■, 2017 between the Manager and the Issuer;

"**Manager**" means OPG, in its capacity as manager of the Issuer, and any successor appointed in accordance with the Management Agreement;

"**Minister**" means the Minister of Energy or such other member of the Executive Council as may be assigned the administration of the Act under the *Executive Council Act*;

"**Monthly ~~Funding Expenses~~Carrying Costs**" has the meaning ascribed thereto in Section ~~3.4~~3.14(~~a~~b);

"**Monthly ~~Funding Rebate~~Carrying Costs Statement**" has the meaning ascribed thereto in Section ~~3.4~~3.14(~~a~~b);

~~25847049.5~~**24817972.2**

"**Monthly Report**" has the meaning ascribed thereto in Section ~~3.3~~**3.5**(~~e~~**a**);

"**Officer's Certificate**" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section **[10.01]** of the Indenture, and delivered to the Indenture Trustee;

"**OPG**" means Ontario Power Generation Inc., a corporation established under the laws of the Province of Ontario;

"**Opinion of Counsel**" means one or more written opinions of counsel, ~~who may, except as otherwise expressly provided in the Program Agreements, be employees of or counsel to the party providing such opinion of counsel,~~ which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party;

~~"**Outstanding Amount**" means the aggregate principal amount of all Funding Obligations outstanding at the date of determination;~~

"**Permitted Successor**" means any successor to the IESO under the Act, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, conversion, acquisition, sale or transfer, by operation of law, as a result of any restructuring, or otherwise, but only to the extent such successor is approved by the Minister;

"Permitted Transfer" means (i) a Transfer to the Issuer pursuant to this Agreement; and (ii) a Transfer to a person who has entered into a Co-Owner Agreement with, inter alia, the Issuer.

"**Person**" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority;

"**Proceeding**" means any suit in equity, action at law or other judicial or administrative proceeding;

"**Program Agreements**" ~~means the Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Administrative Services Agreement, this Agreement, each Transfer Notice, any Co-Owner Agreements, the Provincial Protection and Assurances Agreement and any hedging agreements, credit enhancement agreements, loan agreements and underwriting or agency agreements in effect at such time and all other documents and certificates delivered in connection therewith;~~**has the meaning ascribed thereto in the Indenture;**

~~"**Provincial Protection and Assurances Agreement**" means the Provincial Protection and Assurances Agreement dated as of ■, 2017 between **[Her Majesty the Queen in Right of Ontario, as represented by the Minister, the Indenture Trustee and the Issuer]**[NTD: **Subject to finalization of agreement**];~~

"**Purchase Price**" has the meaning ascribed thereto in Section 2.1(a);

"**Rating Agency**" has the meaning ascribed thereto in the Indenture;

"**Rating Agency Condition**" has the meaning ascribed thereto in the Indenture;

"**Records**" has the meaning ascribed thereto in Section 7.1;

~~"**Reference Period**" has the meaning ascribed to the term "reference period" in the Act;~~

"**Regulations**" means Ontario Regulation 206/17: General, together with any other regulations promulgated under the Act;

"**Regulatory Asset**" has the meaning ascribed thereto in the recitals;

"**Released Parties**" has the meaning ascribed thereto in Section 6.1(~~e~~**f**);

"**Remittance Date**" means, in respect of each Billing Period, the **[3rd]**[2] ~~Servicer~~ Business Day following the last day of each Billing Period;

"Required Servicer Rating" means ■; [NTD: Definition to tie to loss of investment grade credit rating.]

"**Requirement of Law**" means any foreign, Canadian federal, provincial or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law;

"**Responsible Officer**" means, with respect to: (a) the Issuer, any authorized director or officer of the Manager; (b) the Servicer, any authorized director or officer of the IESO; (c) a Successor Servicer, any authorized director or officer of the Successor Servicer; and (d) the Indenture Trustee, any officer ~~within the Corporate Trust Office~~ of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject);

"**Servicer**" means the Independent Electricity System Operator, as Servicer under this Agreement, or any Successor Servicer to the extent permitted under this Agreement;

~~"**Servicer Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obligated by law, regulation or executive order to be closed, on which the Servicer maintains normal office hours and conducts business;~~

"**Servicer CEA ~~Collections~~Receipts**" has the meaning ascribed thereto in Section ~~3.2(a)(ii~~**3.4(e**);

[2] ~~Based on the monthly payment cycle charts prepared by OPG.~~

"**Servicer Default**" has the meaning ascribed thereto in Section 7.1;

"**Specified Consumer**" has the meaning ascribed to the term "specified consumer" in the Act;

"**Specified Creditors**" has the meaning ascribed thereto in the Indenture;

"**Specified Portion**" means, in respect of the Regulatory Asset and any Transfer, the portion of the Regulatory Asset subject to such Transfer, as set out in the applicable Transfer Notice.

"**Successor Servicer**" has the meaning ascribed thereto in Section **[3.07(e)]** of the Indenture;

"**Supplemental Indenture**" means an indenture supplemental to the Indenture that authorizes the incurrence of Funding Obligations;

~~"**Tax Liability**" has the meaning ascribed to the term "tax liability" in the Regulations;~~

~~"**Tax Refund**" has the meaning ascribed to the term "tax refund" in the Regulations;~~

"**Termination Event**" has the meaning ascribed thereto in Section ~~3.11~~■;

"**Termination Notice**" has the meaning ascribed thereto in Section 7.1;

"**Transfer**" has the meaning ascribed to the term "transfer" in the Act, and "**Transferred**" has a corresponding meaning;

"**Transfer Notice**" means a Transfer Notice in respect of a Transfer substantially in the form of Exhibit A to this Agreement and delivered pursuant to Section 2.1(a) of this Agreement; and

"**Transferor**" means the Independent Electricity System Operator, as transferor under this Agreement;

1.2 Sections and Headings[~~3~~2]

The table of contents does not form part of this Agreement. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

(a) Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. A reference to any agreement, instrument or declaration

[~~3~~2] Torys to conform boilerplate provisions, as applicable, across all transaction documents.

means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or replaced from time to time.

(b) The term "**including**" means "including without limitation", and other forms of the verb "**include**" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated, in the computation of a period of time from a specified date to a later specified date, the word "**from**" means "**from and including**" and each of the words "**to**" and "**until**" means "**to but excluding**".

(e) The words "**hereof**", "**herein**" and "**hereunder**" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, unless otherwise specified. References to Articles, Sections, Appendices and Exhibits in this Agreement are references to Articles, Sections, Appendices and Exhibits in or to this Agreement unless otherwise specified.

(f) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor.

(g) The word "**will**" shall be construed to have the same meaning and effect as the word "**shall**". The word "**or**" is not exclusive.

ARTICLE 2
TRANSFER OF SPECIFIED PORTIONS OF THE REGULATORY ASSET

2.1 Transfer Notices and Agreement to Transfer a Specified Portion of the Regulatory Asset

(a) The Transferor may, no more frequently than monthly and no later than the 8th Business Day of ~~each~~**any** calendar month, ~~provide~~**offer** to **Transfer to** the Issuer a **Specified Portion of the Regulatory Asset by providing to the Issuer a** Transfer Notice executed by the Transferor and setting out (i) the ~~specified~~

~~portion~~**Specified Portion** of the Regulatory Asset that the Transferor ~~desires~~**is offering** to Transfer to the Issuer, (ii) the consideration to be paid to the Transferor by the Issuer for the Transfer (the "**Purchase Price**") which shall be equal to the amount of ~~the specified portion~~**such Specified Portion** of the Regulatory Asset ~~that the Transferor proposes to Transfer to the Issuer~~, (iii) the Closing Date to effect such transfer which shall be **no earlier than** the ~~10~~**[5th]** Business Day ~~following~~**after the** delivery of the **Transfer Notice and no later than the last Business Day of the calendar month in which the** Transfer Notice **was delivered**, or such other ~~date~~**Business Day** as may be agreed ~~upon~~ by the Transferor and the Issuer, and (iv) such other information as required in the form of Transfer Notice attached as Exhibit A hereto.

~~(b)~~ ~~**[The Issuer shall use commercially reasonable efforts to provide reasonable notice to the Transferor if the Issuer has reasonable cause to believe that it will not accept a Transfer Notice sent by the Transferor or that the conditions precedent in Sections 2.2(b)(i), (v), (vi), (vii), (viii) and (vii) will not be satisfied on the relevant Closing Date.][NTD: Subject to review by OPG.]**~~

(b) ~~(c)~~ On or before the 2nd Business Day following receipt of a Transfer Notice, the Issuer shall have the right, but not the obligation, to accept the Transferor's offer to Transfer the ~~portion~~**Specified Portion** of the Regulatory Asset subject to the Transfer Notice by executing and returning such Transfer Notice to the Transferor. Upon acceptance by the Issuer of the Transfer Notice, there shall be a binding agreement for IESO to Transfer the ~~specified portion~~**Specified Portion** of the Regulatory Asset and for the Issuer to pay the Purchase Price, subject to satisfaction of all conditions precedent in Section 2.2.

~~(d) In consideration and as an inducement for the Issuer to acquire the Investment Interest at the Purchase Price, the Transferor shall, concurrently with each such Transfer and in accordance with Section 3.4, agree to pay to the Issuer all Monthly Funding Expenses that are incurred by or on behalf of the Issuer in connection with each applicable Transfer in respect of each calendar month in which there are no Clean Energy Adjustments billed to Specified Consumers.~~

(c) ~~(e)~~ Provided that all conditions precedent set out in Section 2.2 have been satisfied on or prior to the applicable Closing Date, on the applicable Closing Date, the Issuer shall deliver or cause to be delivered to the Transferor, by **bank** wire transfer **or bank electronic funds transfer,** in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set forth in the applicable Transfer Notice. **The Transferor agrees that receipt by the Transferor of the payment referred to in this Section 2.1(c) is receipt by the Transferor of a payment referred to in Section 26(3) of the Act.**

(d) ~~(f) Upon receipt by the Transferor of the payment referred to in Section 2.1(e):~~ **Upon receipt by the Transferor of the payment referred to in Section 2.1(c),** the Transferor shall reduce the balance of the Fair Hydro Variance Account by an

amount equal to the Purchase Price **received and shall retain no further right, title or interest in the corresponding Issuer Investment Interest.**

~~(i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price and, as a consequence, the Regulatory Asset shall be adjusted accordingly; and~~

~~(ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any adverse claim, and in accordance with section 27(1) of the Act, shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Issuer.~~

~~(g) Any Transfer of a specified portion of the Regulatory Asset by the Transferor pursuant to this Agreement shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Issuer, shall be treated as a true sale and not as a pledge of or secured transaction relating to the Transferor's right, title, and interest in, to, and under the specified portion of the Regulatory Asset. After giving effect to a Transfer contemplated hereby, the Transferor shall have no right, title or interest in, to or under the corresponding Investment Interest because (i) it has Transferred all of its right, title and interest in and to the corresponding specified portion of the Regulatory Asset to the Issuer, (ii) as provided in the Act, all right, title and interest to the corresponding Investment Interest shall be vested in the Issuer, (iii) as provided in the Act, such Transfer is perfected, vested, valid and binding as against the Transferor and all other Persons who may have claims of any kind against the Transferor, regardless of whether the Persons who have claims have received notice of the Transfer, and (iv) the property rights and interests acquired by the Issuer shall be free and clear of any Liens arising through the IESO.~~

(e) The parties intend that this Agreement, together with each Transfer Notice accepted by the Issuer, constitute an agreement, for purposes of Section 27(2) of the Act for the Transferor to dispose, upon receipt by the Transferor of the payment referred to in Section 2.1(d), of a Specified Portion of the Regulatory Asset and to assign, convey or sell a corresponding Investment Interest to the Issuer.

2.2 Conditions Precedent to each Transfer of a Specified Portion of the Regulatory Asset

(a) The obligation of the Issuer to pay the Purchase Price related to the initial Transfer of a ~~specified portion~~**Specified Portion** of the Regulatory Asset shall be subject to the satisfaction by the Transferor, or waiver by the Issuer and the Indenture Trustee, of the following ~~condition~~**conditions**:

(i) the Issuer and the Indenture Trustee shall have received from the Transferor the following documents, in form and substance satisfactory to each of the Issuer and the Indenture Trustee:

(A) a certificate of an officer of the IESO, dated the initial Closing Date certifying (1) that attached thereto is a true and complete copy of the by-laws of the IESO, each as in effect on the date of such certificate, (2) that attached thereto is a true and complete copy of a resolution adopted by the IESO's board of directors authorizing the execution, delivery and performance of this Agreement and the ~~Program Agreements to which~~**performance by** the IESO ~~is party~~**of its obligations hereunder**, and that such resolution has not been modified, rescinded or amended and is in full force and effect, and (3) as to the incumbency and true specimen signature of each of the IESO officers **or delegates** executing this Agreement ~~or any of the Program Agreements to which the IESO is party~~**and authorized to give notices and instructions hereunder (which can be changed by notice hereunder)**; and

(B) ~~reports showing the results of searches conducted against the IESO under applicable personal property security registers in the Province of Ontario together with executed copies of all discharges or releases of prior security interests relating to the Regulatory Asset subject to the Transfer; provided that the IESO may establish that any particular registration does not affect the Regulatory Asset by delivering a letter or acknowledgment signed by the applicable secured party.~~the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them**. [NTD: Scope of opinions required to be confirmed by the Dealers and their counsel]**

(b) The obligation of the Issuer to pay the Purchase Price related to each Transfer of a ~~specified portion~~**Specified Portion** of the Regulatory Asset (including the initial Transfer) shall be subject to the satisfaction or waiver by the Issuer and the Indenture Trustee of each of the following conditions:

(i) as of the applicable Closing Date, all Program Agreements shall have been entered into on terms and conditions satisfactory to the Issuer and the Indenture Trustee and shall be in full force and effect as of such Closing Date;

(ii) as of the applicable Closing Date, no Insolvency Event in respect of the Transferor shall have occurred and the Transferor ~~is not insolvent and will not have been made insolvent by such Transfer and the Transferor~~ is not aware of any pending ~~insolvency~~**Insolvency Event** with respect to itself;

(iii) as of the applicable Closing Date, (A) the representations and warranties of the IESO in this Agreement must be true and correct with the same force and effect as if made on that date (except to the extent they relate to an earlier date), (B) no breach of any covenant or agreement of the IESO contained in this Agreement shall have occurred ~~and not been waived~~**be continuing**, and (C) no Servicer Default shall have occurred and ~~not been waived~~**be continuing**;

(iv) on or prior to the applicable Closing Date, the Transferor shall have taken all action required to provide for the Transfer, upon payment of the Purchase Price, of the ~~specified portion~~**Specified Portion** of the Regulatory Asset as set forth in the applicable Transfer Notice on the Closing Date, free and clear of all Liens other than Liens created by the Issuer pursuant to the Program Agreements;

(v) the Transferor shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate confirming the satisfaction of each condition precedent specified in Sections 2.2(b)(i), (ii), (iii) and (iv);

~~(vi) the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them [NTD: Scope of opinions required to be confirmed by the Dealers and their counsel];~~

(vi) ~~(vii)~~ as of the applicable Closing Date, (A) the Issuer shall have sufficient funds available to pay the Purchase Price as set forth in the applicable Transfer Notice, (B) all conditions to any incurrence of Funding Obligations intended to provide such funds set forth in the Indenture (and any applicable Supplemental Indenture) or other instrument shall have been satisfied or waived, (C) the Rating Agency Condition in respect of the issuance of the Funding Obligations funding the payment of the Purchase Price shall have been satisfied, and (D) the Funding Obligation required to fund the payment of the Purchase Price shall have been issued at the same time as, or prior to, the Transfer; and

(vii) ~~(viii)~~ after giving effect to the Transfer, each of the Fair Hydro Variance Account and the Regulatory Asset will have a balance or amount, as applicable, equal to or greater than zero.

ARTICLE 3
ROLE OF THE SERVICER

3.1 Designation of Servicer

Each Transfer of a specified portion of the Regulatory Asset shall be made on the basis that the related Issuer Investment Interest shall be ~~fully~~ serviced by the Servicer **in**

accordance with this Article 3, and the IESO or any Permitted Successor of the IESO that is the Servicer shall not be entitled to receive any further compensation from the Issuer ~~or the Indenture Trustee~~ for its services in connection therewith. The Servicer ~~acknowledges the responsibility of the Servicer for servicing the related Issuer Investment Interest corresponding to the specified portion of the Regulatory Asset Transferred by the Transferor under this Agreement and hereby~~ agrees to perform the duties and obligations of the Servicer pursuant to the terms hereof at no additional cost to the Issuer.

3.2 ~~**Duties of Servicer Generally**~~**Forecast of Electricity Consumption**

~~(a)~~ ~~The Servicer shall:~~

~~(i)~~ ~~issue settlement statements to Electricity Vendors that include amounts in respect of the Clean Energy Adjustment as prescribed by the Act and the Regulations;~~

~~(ii)~~ ~~receive from Electricity Vendors amounts in respect of Electricity Vendor CEA Collections including payments made directly to the IESO as an Electricity Vendor (such amounts received being "**Servicer CEA Collections**");~~

~~(iii)~~ ~~hold and remit Servicer CEA Collections in accordance with Section 3.3;~~

~~(iv)~~ ~~receive information from Electricity Vendors in respect of CEA Consumer Invoice Amounts and Electricity Vendor CEA Collections and such other information as the IESO may reasonably request for the purposes of determining the IESO Deferral or such further information as may be required;~~

~~(v)~~ ~~determine and record the IESO Deferral for each month and make any necessary corrections thereto in accordance with the Act and the Regulations;~~

~~(vi)~~ ~~forecast electricity demand by Specified Consumers for Reference Periods;~~

The IESO shall:

(a) ~~(vii)~~ provide ~~information~~ to the Board ~~in respect of forecast electricity demand or any other information the Board may require from the Servicer to facilitate the Board's determination of the rates at which~~**and the Financial Services Manager the forecasts of electricity consumption by** Specified Consumers ~~are to be invoiced so as to enable full recovery of the Clean Energy Adjustment in respect of any Reference Period;~~ **as contemplated by Section 8(3) of the Regulations; and**

~~(viii)~~ ~~respond to inquiries by Electricity Vendors, the Board or any other Governmental Authority with respect to the Clean Energy Adjustment;~~

~~(ix) investigate and handle delinquencies by Electricity Vendors regarding Servicer CEA Collections (and furnish reports with respect to such delinquencies to the Issuer);~~

~~(x) process and deposit Servicer CEA Collections and make periodic remittances to the Issuer in accordance with Section 3.3;~~

~~(xi) furnish periodic and current reports to the Issuer, the Board, the Indenture Trustee and the Rating Agencies, as may reasonably be required by the Issuer;~~

~~(xii) take all necessary action in connection with Funding Rebates as set forth herein and in the Regulations; and~~

~~(xiii) perform such other duties as may be reasonably required from time to time to be performed by it.~~

(b) ~~Without limiting the generality of Section 3.2(a), in furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with, the duties and responsibilities relating to data acquisition, consumption and settlement statement calculation, settlement, collections, posting, payment processing and remittance with reasonable care and in material compliance with each applicable Requirement of Law, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to similar assets for its own account and, if applicable, for others.~~**provide to the Board and the Financial Services Manager such other information and reports as the Board or the Financial Services Manager may reasonably request in connection with the calculation of the Clean Energy Adjustments and which is reasonably available to the Transferor without incurring material incremental expense.**

~~(c) Notwithstanding anything to the contrary in this Agreement, the duties of the Servicer set forth in this Agreement shall be qualified and limited in their entirety by the Act, the Regulations, all applicable laws and the rules and regulations promulgated thereunder as in effect at the time such duties are to be performed.~~

3.3 ~~Remittances~~ISO Deferral

~~(a)~~ The **IESO shall:**

(a) determine the IESO Deferral as required by Section 23 of the Act and the Regulations; and

(b) maintain the Fair Hydro Variance Account as required by Section 24 of the Act and the Regulations.

~~25847649.5~~

3.4 Clean Energy Adjustments and Electricity Vendors

The Servicer shall:

(a) **prior to receiving** Servicer ~~shall~~**CEA Receipts,** establish an Eligible Deposit Account (the "**IESO Segregated Account**") bearing a designation ~~clearly~~ indicating that the funds deposited therein are held in trust for the benefit of the **Issuer and, after the Co-Owner Implementation Date, for the benefit of any other owner or** owners of **an** Investment ~~Interests~~**Interest**. If at any time the IESO Segregated Account ceases to be an Eligible Deposit Account, the Servicer shall within 30 days establish a new IESO Segregated Account as an Eligible Deposit Account and shall transfer any cash and/or any investments held in the former account to such new account and make all future deposits to such new account~~.~~**;**

(b) **prior to the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, make reasonable efforts to work with each Electricity Vendor to:**

(i) **establish a segregated account into which Electricity Vendor CEA Collections are to be deposited as required by Section 10(2) of the Regulations;**

(ii) **settle a form of Electricity Vendor Billing Period Report to be used by such Electricity Vendor; and**

(iii) **establish procedures for the invoicing by such Electricity Vendor of amounts in respect of the Clean Energy Adjustment, the identification, deposit and segregation of Electricity Vendor CEA Collections, the remittance of Electricity Vendor CEA Collections to the Servicer and reporting to the Servicer; [NTD: Generally, someone will need to take responsibility for educating the Electricity Vendors and we believe the IESO is best positioned to take on this role given its existing relationships and opportunities to interact with the EVs.]**

(c) **request certification from each Electricity Vendor that the segregated account required by Section 10(2) of the Regulations has been established by that Electricity Vendor;**

(d) **as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive Electricity Vendor CEA Collections from Electricity Vendors;**

(e) **as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive any amounts in respect of Clean Energy Adjustments payable directly by Specified Consumers to the Servicer (such amounts, together with the amounts referred to in Section 3.4(d), the "Servicer CEA Receipts");**

(f) ~~(b) The Servicer shall~~ deposit ~~all~~**the** Servicer CEA ~~Collections~~**Receipts** into the IESO Segregated Account promptly following receipt by the Servicer and, in any event, within **[**two ~~Servicer~~ Business Days**]** of receipt by the Servicer and **the Issuer Share of** such Servicer CEA ~~Collections~~**Receipts** shall remain in the IESO Segregated Account until remitted in accordance with Section ~~3.3(d)~~ **3.6;**

(g) respond to inquiries by Electricity Vendors **with respect to the Clean Energy Adjustment and amounts payable in respect thereof;**

(h) **request from each Electricity Vendor an Electricity Vendor Billing Period Report in respect of each Billing Period during which Clean Energy Adjustments are billed to Specified Consumers; such report to be requested to be delivered within ■ Business Days of the end of each Billing Period;**

(i) **review each Electricity Vendor Billing Period Report received by the Servicer for material manifest discrepancies including any discrepancy between the Electricity Vendor CEA Collections reported in respect of the Billing Period and the amount remitted pursuant to Section 3.4(d);**

(j) **make reasonable efforts to contact each Electricity Vendor that:**

(i) **does not deliver an Electricity Vendor Billing Period Report in respect of a Billing Period where Clean Energy Adjustments were payable by Specified Consumers;**

(ii) **does not remit any Electricity Vendor CEA Collections in accordance with Section 3.4(d) or remits Electricity Vendor CEA Collections that do not match the amount thereof reported in its Electricity Vendor Billing Period Report,**

(iii) **delivers an Electricity Vendor Billing Period Report that has any other material manifest discrepancy detected by the Servicer, or**

(iv) **does not certify that it has established the segregated account required by Section 10(2) of the Regulations,**

and attempt to resolve the applicable issue;

(k) **on a periodic basis as requested by the Issuer, review, pursuant to its rights under Section 10(4) of the Regulations, the records maintained by each Electricity Vendor with respect to Clean Energy Adjustments; provided that in the absence of evidence of material non-compliance by an Electricity Vendor with its duties and obligations in respect of Clean Energy Adjustments, the Servicer shall not be required to review the records of a Electricity Vendor more often than ■.**

(l) ~~(c) The IESO agrees and acknowledges that it holds all~~**hold the Issuer Share of** Servicer CEA ~~Collections~~**Receipts** and **the Issuer Share of** any other proceeds in

respect of the Clean Energy Adjustment received by it in trust for the benefit of the Issuer, any other owner of Investment Interests, the Indenture Trustee and the Specified Creditors and that all such amounts will be remitted by the Servicer and remit such amounts in accordance with this Section 3.3 3.6 without any surcharge, fee, offset, charge or other deduction.

3.5 Reporting

The IESO further agrees not to make any claim to reduce its obligation to remit all Servicer CEA Collections received by it in accordance with this Agreement. Servicer shall:

(d) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA Collections received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period. Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA Collections on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account on each Servicer Business Day.

(a) (e) On on or before the **[2nd] Servicer 8th Business Day]** following the end of each Billing Period, the Servicer shall prepare and deliver to the Issuer, the Indenture Trustee and the Rating Agencies a written report substantially in the form of Exhibit B (a "**Monthly Report**"). ;

3.4 [Funding Rebates]

[NTD: Terminology and provisions relating to IESO payment of carrying costs during the moratorium period subject to finalization of regulations creating this obligation.]

(b) report to the Issuer any delinquencies by Electricity Vendors in respect of the CEA amounts collected and the remittance of Electricity Vendor CEA Collections;

(c) (a) On or before the **[4th]** Servicer Business Day following the end of each calendar month in which no Clean Energy Adjustment is billed to Specified Consumers, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of Exhibit C (a "**Monthly Funding Rebate Statement**") setting out the aggregate amount of all (i) Funding Costs, (ii) Finance Reserve Deposits, (iii) Financing Entity Expenses, and (iv) Tax Liabilities (net of Tax Refunds), that were incurred by or on behalf of the Issuer during the previous calendar month ("**Monthly Funding Expenses**"). report to the Issuer any unresolved matters referred to in Section 3.4(j);

(b) On or before the **[10th]** Servicer Business Day following receipt by the IESO of the Monthly Funding Rebate Statement, the IESO shall, as required by the Regulations, deliver or cause to be delivered to the Issuer, by wire transfer in

~~immediately available funds, an amount in Canadian dollars equal to the Monthly Funding Expenses set forth in the applicable Monthly Funding Rebate Statement (the "**Funding Rebate**").~~

~~**3.5 Reporting Functions**~~

(d) ~~(a) Notification of Laws and Regulations. The Servicer shall~~ promptly notify the Issuer in writing of any Requirement of Law hereafter adopted or announced or the occurrence of any other event or circumstance **of which it becomes aware** that has a material adverse effect on the Servicer's ability to perform its duties and obligations under this Agreement~~.~~**; and**

(e) ~~(b) Other Information. Upon~~**upon** the reasonable request of the Issuer, the Indenture Trustee or any Rating Agency, ~~the Servicer shall~~ provide to the Issuer, the Indenture Trustee or such Rating Agency, as the case may be, any public financial information in respect of the Servicer, or any material information regarding the **Issuer** Investment Interest or the Regulatory Asset**,** to the extent it is reasonably available to the Servicer~~,~~ **and** as may be reasonably necessary and permitted by law**,** to enable the Issuer, the Indenture Trustee or the Rating Agencies to monitor the performance by the Servicer of its duties and obligations hereunder. ~~In addition, the Servicer shall provide the Issuer and the Indenture Trustee, within a reasonable time after written request therefor, any information available to the Servicer or reasonably obtainable by it that is necessary to calculate the Clean Energy Adjustment.~~

3.6 Remittances

(a) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA **Receipts** received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period.

(b) Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA **Receipts** on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account **on each Business Day.**

3.7 Limits to Obligations

Without in any way limiting the duties and obligations of the Servicer arising under the Act or the Regulations, the parties hereto agree the duties and obligations of the Servicer under this Agreement are limited as provided in this Section 3.7.

(a) **The Servicer is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from their customers or not remitted by Electricity Vendors to the Servicer.**

(b) **The Servicer is not responsible for enforcing the obligations of Specified Consumers or Electricity Vendors to invoice, collect or remit Clean Energy Adjustments or any other amounts.**

(c) **The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations including (i) the invoicing of** Specified Consumers in respect of the Clean Energy Adjustment and ancillary matters related thereto; (ii) **the collection from Specified Consumers of amounts due** in respect of such invoices and **the remittance of such payments to the Servicer; (iii) the accuracy of any information provided by the Electricity Vendors; and (iv) any reporting by the Electricity Vendors, including the reporting to the Servicer of the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and the Issuer Share of Electricity Vendor CEA Collections received by such Electricity Vendor.**

(d) **The Servicer is under no responsibility or obligation to the Issuer with respect to whether the Clean Energy Adjustments funds remitted by the Servicer to Issuer during any or all periods is sufficient to satisfy the Issuer's obligations.**

(e) **The Servicer is under no obligation to initiate or prosecute any legal action relating to the collection of the Issuer Investment Interest.**

3.8 ~~3.6~~ **Servicing and Maintenance Standards**

(a) The Servicer shall ~~monitor payments and impose collection policies on Electricity Vendors with respect to Electricity Vendor CEA Collections. On behalf of the Issuer, the Servicer shall: (a) manage, service, administer, collect and receive Servicer CEA Collections with reasonable care and in material compliance with each applicable Requirement of Law, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to the collection of other amounts from Electricity Vendors for its own account and, if applicable, for others; (b) follow standards, policies and procedures in performing its duties as Servicer that are customary for an electricity market operator and administrator that regularly performs settlement functions; (c) use all reasonable efforts, consistent with its customary servicing procedures, to receive and hold Servicer CEA Collections in trust for the benefit of the Issuer; (d) comply with each Requirement of Law, including all regulations and guidelines, applicable to and binding on it relating to its duties hereunder; and (e) provide all information to the Board as required by the Act and the Regulations. The Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of all or any portion of the Investment Asset and the Issuer Investment Interest, which may include, at the direction of the Issuer, the taking of legal action, at the Issuer's expense but subject to the priority~~

~~of payments set forth in **[Section 8.02(e)]** of the Indenture. In no event shall the Issuer Investment Interest be set off at any time by the IESO or any Permitted Successor thereof in connection with any default by such Person or otherwise.~~**discharge its duties, responsibilities and obligations hereunder with reasonable care and in material compliance the Requirements of Law, including the Act and the Regulations and shall follow standards, policies and procedures in performing its duties as Servicer hereunder that are customary for an electricity market operator and administrator that regularly performs settlement functions. In** furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with **reasonable care and in material compliance with applicable Requirement of Laws**, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to **similar settlement activities on its own account.**

~~**3.7 Binding Effect of Servicing Obligations**~~

(b) **The** Servicer may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising under this Agreement.

(c) **Neither** the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment**.**

3.9 Appointments

The Servicer may at any time appoint any Person to **act as its agent to perform all or any portion of its obligations as Servicer hereunder; provided** however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided **further that the Servicer shall remain obligated and be liable for the performance of its obligations under this Agreement** without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were **performing such obligations**. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, **and the Issuer shall not** have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section **3.11.**

3.10 Term

The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under **Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off** (in each case, a "**Termination**

~~25847049.5~~**24817972.2**

Event"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.

3.11 Resignation of Servicer

The IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and the Rating Agencies at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and the Rating Agencies concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.12 Mergers

~~The obligations to continue to provide services and to receive and account for Servicer CEA Collections and related amounts will be binding upon the Servicer and any Permitted Successor so long as the Servicer CEA Collections have not been fully received and posted.~~ Any Person (a) into which the Servicer may be merged, converted or amalgamated and that is a Permitted Successor, (b) that may result from any merger, conversion or amalgamation to which the Servicer shall be a party and that is a Permitted Successor, (c) that may succeed to the properties and assets of the Servicer substantially as a whole and that is a Permitted Successor, or (d) that otherwise is a Permitted Successor, which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Servicer hereunder, shall be the successor to the Servicer under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 4.1 shall have been breached and no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, (ii) the Servicer shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger or succession and such agreement of assumption complies with this Section ~~3.7~~**3.12** and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (iii) the Servicer shall have given to the Issuer prior written notice of such transaction. When any Person that is a Permitted Successor acquires the properties and assets of the Servicer substantially as a whole or otherwise becomes the successor, by merger, conversion, consolidation, sale, transfer, lease or otherwise, to all or substantially all the assets of the Servicer in accordance with the terms of this Section ~~3.7~~**3.12**, then, upon satisfaction of all of the other conditions of this Section ~~3.7~~**3.12**, the preceding Servicer shall automatically and without further notice be released from all of its obligations hereunder (except for responsibilities for its actions prior to such release).

~~25847049.5~~[illegible]

~~**3.8 Limitation on Liability of Servicer and Others**~~

~~(a) Except as otherwise provided under this Agreement, including Section 6.1, neither the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment; provided, however, that this provision shall not protect the Servicer or any such Person against any liability that would otherwise be imposed by reason of negligence, recklessness or willful misconduct in the performance of duties or by reason of reckless disregard of obligations and duties under this Agreement. The Servicer and any director, officer, employee or agent of the Servicer may rely in good faith on the advice of counsel or on any document of any kind, *prima facie* properly executed and submitted by any Person, respecting any matters arising under this Agreement.~~

~~(b) Except as provided in this Agreement, the Servicer shall not be under any obligation to appear in, prosecute or defend any legal action relating to the Issuer Investment Interest that is not directly related to one of the Servicer's enumerated duties in this Agreement or related to its obligation to pay indemnification, and that in its reasonable opinion may cause it to incur any expense or liability; provided, however, that the Servicer will, at the direction of the Issuer, in respect of any Proceeding, undertake any action that is not specifically identified in this Agreement as a duty of the Servicer but that the Issuer reasonably determines is necessary or desirable in order to protect the rights and duties of the Issuer or the Indenture Trustee under this Agreement and the interests of Specified Creditors under the Indenture.~~

3.13 ~~3.9~~ The IESO Not to Resign as Servicer

Subject to the provisions of Section ~~3.7~~**3.12**, the IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and each Rating Agency at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and each Rating Agency concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

~~**3.10 Appointments**~~

3.14 IESO Regulatory Obligation to Pay Carrying Costs

(a) ~~Subject to Section 3.10(b), the~~ Servicer ~~may at any time appoint any Person to perform all or any portion of its obligations as Servicer hereunder; provided, however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided, further, that the Servicer shall remain obligated and be liable under this Agreement for the servicing and administering of the Issuer Investment Interest in accordance with the provisions hereof without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Investment Interest. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, and none of the Issuer, the Indenture Trustee, Specified Creditors or any other Person shall have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section 3.9.~~ **During the period beginning on December 1, 2017 and ending on July 31, 2021, the IESO shall, as required under the Regulations, pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs during the period beginning on June 1, 2017 and ending on July 31, 2021.**

(b) ~~The following matters shall be performed by the Electricity Vendors in accordance with the Act and shall not be considered an "appointment" for purposes of Section 3.10(a): (i) invoicing~~ Specified Consumers ~~in respect of the~~ Clean Energy Adjustment and ancillary matters related thereto; ~~(ii) collection from Specified Consumers of payments in respect of such invoices and remittance of such payments to the Servicer; and (iii) reporting to the Servicer the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and such other information the IESO may reasonably request for the purposes of determining the IESO Deferral or such further information as may be required. The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations or in respect of the matters set out in this Section 3.10(b).~~ **On or before the 4th Business Day of each calendar month**, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of **Exhibit C (a "Monthly Carrying Costs Statement") setting out the amount of Carrying Costs in respect of the preceding calendar month ("Monthly Carrying Costs").**

~~**3.11 Effective Period and Termination**~~

(c) **On or before the 8th Business Day following receipt by the IESO of the Monthly Carrying Costs Statement, the IESO shall, as required under** the Regulations, deliver or cause to be delivered to the Issuer, by wire **transfer or electronic funds** transfer in immediately available funds, an amount in Canadian dollars equal to the Monthly **Carrying Costs set forth in the applicable Monthly Carrying Costs Statement.**

3.15 IESO Security for CEA Remittances

~~The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off (in each case, a "**Termination Event**"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.~~**If required by the Issuer, the IESO shall provide to the Issuer, on or prior to the first day of the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, a letter of credit in an amount equal to $■, or such other form of security as may be acceptable to the Issuer and the Indenture Trustee, as security for any failure of Electricity Vendors, following [July 31, 2021], to remit the Electricity Vendor CEA Collections.**

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE IESO

4.1 Representations and Warranties

Subject to Section 4.3, the IESO makes the following representations and warranties as of the date hereof and as of each applicable Closing Date, and the IESO acknowledges that the Issuer and the Indenture Trustee will rely thereon in paying the Purchase Price related to Transfers of ~~specified portions~~**Specified Portions** of the Regulatory Asset, and the Issuer has relied thereon in entering into this Agreement relating to the servicing of the corresponding Investment Interests.

(a) Organization and Good Standing. The IESO is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite **corporate** power and authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it~~, and to execute, deliver and carry out the terms of this Agreement, including, for greater certainty, acting as Servicer in accordance with this Agreement~~.

(b) Due Qualification. The IESO has obtained all necessary licences and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including acting as Servicer under this Agreement) shall require such licences or approvals, except where the failure to so qualify or obtain such licences and approvals would not be reasonably likely to have a material adverse effect on the IESO's business, operations, assets, revenues or properties, the Regulatory Asset~~,~~ **or** the servicing of related Investment Interests~~, the Issuer or the repayment when due of the Funding Obligations~~.

(c) Power and Authority. The IESO has the requisite **corporate** power and authority to execute and deliver this Agreement and to carry out its terms. The IESO has full corporate power and authority to hold the Regulatory Asset and to Transfer ~~specified portions~~**Specified Portions** of the Regulatory Asset to the Issuer and the IESO has duly authorized such Transfer to the Issuer by all necessary **corporate** action. The execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary **corporate** action on the part of the IESO under all applicable laws.

(d) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the IESO, enforceable against the IESO in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof by the IESO do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time, or both) a default under, the IESO's by-laws, or any indenture, or other material agreement or instrument to which the IESO is a party or by which it is bound, result in the creation or imposition of any Lien upon any of the IESO's properties pursuant to the terms of any such indenture, agreement or other instrument or violate any existing law or any order, rule or regulation applicable to the IESO issued by any Governmental Authority having jurisdiction over the IESO or its properties.

(f) No Proceedings. ~~There are no Proceedings or, to~~**To** the IESO's knowledge, ~~investigations~~**there are no Proceedings** pending or ~~Proceedings~~ threatened~~, before any Governmental Authority having jurisdiction over~~ **against** the IESO or its properties: (a) asserting the invalidity of this Agreement or the Act, (b) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Act, or (c) seeking a determination or ruling that could reasonably be expected to materially and adversely affect the performance by the IESO of its obligations under, or the validity or enforceability of, this Agreement or the Act.

(g) Approvals. No approvals, authorizations, consents, orders or other actions or filings with any Governmental Authority are required for the IESO to execute, deliver and perform its obligations under this Agreement except those which have previously been obtained or made.

(h) Information.~~(i)~~ At the date hereof and as of each applicable Closing Date, **except in respect of information provided by a third party,** all written information, as amended or supplemented from time to time, provided by the Transferor to the Issuer with respect to the Regulatory Asset is true and correct in all material respects and does not omit any material facts.

~~(ii) Each report and certificate delivered in connection with any filing made or information provided to the Board by the IESO in connection with the Act, including on behalf of the Issuer with respect to Clean Energy Adjustments, will constitute a representation and warranty by the IESO that each such report or certificate, as the case may be, is true and correct in all material respects; provided, however, that, to the extent any such report or certificate is based in part upon or contains assumptions, forecasts or other predictions of future events, the representation and warranty of the IESO with respect thereto will be limited to the representation and warranty that such assumptions, forecasts or other predictions of future events are reasonable based upon historical performance (and facts known to the IESO on the date such report or certificate is delivered).~~

(i) The Transfer. ~~On~~**After the completion of the Transfer on** the applicable Closing Date, the ~~specified portion of the Regulatory Asset as set forth in the applicable Transfer Notice shall be validly Transferred to the Issuer and the~~ IESO will have no right, title or interest in the ~~related~~ Investment Interest **related to the Specified Portion of the Regulatory Assets** as set forth in the applicable Transfer Notice and the related Investment Interest shall not form part of the estate of the IESO in the event of an Insolvency Event in respect of the IESO.

(j) No Transfer. Except ~~pursuant to any Co-Owner Agreement, no portion of~~**for Permitted Transfers,** the ~~Regulatory Asset~~**IESO** has ~~been~~**not** sold, transferred, assigned~~,~~ **or otherwise conveyed any interest in the Regulatory Asset to any Person.**

(k) Liens. IESO has not pledged or otherwise ~~conveyed by the IESO~~**granted a Lien** to any Person ~~other than the Issuer or the Indenture Trustee, and,~~**in the Regulatory Asset and** to the IESO's knowledge (after due inquiry), ~~no security agreement,~~**there is no registered** financing statement ~~or equivalent security or lien instrument~~ listing the IESO as debtor covering ~~all or a portion of the Regulatory Asset (or the corresponding Investment Interest upon the Transfer thereof) is on file or of record in any jurisdiction, except such as may have been filed or recorded in favour of the Issuer or the Indenture Trustee in connection with the Program Agreements.~~(k) ~~Title. The IESO is the sole owner of the specified portion of the Regulatory Asset that is to be Transferred to the Issuer on~~

~~the applicable Closing Date, free and clear of all Liens~~**or extending to the Regulatory Asset**.

(l) Tax Liens. ~~After due inquiry, the~~**The** IESO **(i)** is not aware**, after due inquiry,** of any judgment or tax lien filing against the IESO**, and (ii) is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada)**.

(m) Solvency. On the date hereof and after giving effect to each Transfer, the IESO:

~~(i) is solvent and expects to remain solvent;~~

(i) ~~(ii)~~ reasonably believes that it will be able to pay its debts as they come due; and

(ii) ~~(iii)~~ is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

(n) No Court Order. There is no order by any court that seeks to enjoin the performance of any obligations of the IESO under the Act or this Agreement.

4.2 Survival

The representations and warranties set forth in Section 4.1 shall survive the execution and delivery of this Agreement, each Transfer of an Investment Interest to the Issuer and the pledge thereof to the Indenture Trustee pursuant to the Indenture and may not be waived by any party hereto except pursuant to a written agreement executed in accordance with Section 8.1 and as to which the Rating Agency Condition has been satisfied.

4.3 Limitations on Representations and Warranties

Notwithstanding anything in this Agreement to the contrary, the IESO makes no representation or warranty **with respect to the collectability of the Issuer Share of Servicer CEA Receipts or** that the Issuer~~'s~~ Share of Servicer CEA ~~Collections will~~**Receipts** be sufficient to satisfy ~~in full~~ the Issuer's Funding Obligations.

ARTICLE 5
COVENANTS OF THE IESO

5.1 Existence

~~Subject to Section 3.9, so~~**So** long as any **Issuer** Funding Obligations are outstanding, the IESO (a) will keep in full force and effect its existence and remain validly

existing under the laws of the Province of Ontario, and (b) will obtain and preserve its qualifications to do business in each jurisdiction in which such qualification is or will be necessary to protect the validity and enforceability of this Agreement and each other instrument or agreement to which the IESO is a party necessary for the proper administration of this Agreement and the transactions contemplated hereby.

5.2 No Transfer or Liens

Except for ~~(a) the~~ Transfers under this Agreement to the Issuer or ~~any Lien for the benefit of the Specified Creditors or the Indenture Trustee, and (b) following the Co-Owner Implementation Date, Transfers to other Financing Entities who enter into a Co-Owner Agreement with the Issuer and Liens granted in connection therewith to Persons advancing Funding Obligations to such other Financing Entities, the IESO will not sell, pledge, assign or transfer to any other Person, or~~ **Permitted Transfers, the IESO will not Transfer the Regulatory Asset or any portion thereof to any person. The IESO will not** grant, create, incur, assume or suffer to exist any Lien on~~, any portion of~~ the Regulatory Asset~~, whether existing as of the applicable Closing Date or thereafter created, or any interest therein~~ **or any portion thereof**. The IESO will not at any time assert any Lien against or with respect to the Issuer Investment Interest, and will defend the right, title and interest of the Issuer and of the Indenture Trustee, on behalf of the Specified Creditors, in, to and under the Issuer Investment Interest against all claims of third parties claiming through or under the Transferor.

5.3 Notice of Liens

The IESO shall notify the Issuer and the Indenture Trustee promptly after becoming aware of any Lien on any portion of the Regulatory Asset~~, other than the Transfers hereunder and any Lien pursuant to the Program Agreements~~.

5.4 Compliance with Law

The IESO will comply with all Requirements of Law applicable to, and binding upon, the IESO or relating to the Regulatory Asset~~,~~ the Investment Asset or Investment Interests, except to the extent that failure to so comply would not materially adversely affect the Issuer's~~,~~ **or** the Indenture Trustee's ~~or the Specified Creditors'~~ interests in the Issuer Investment Interest~~ under any of the Program Agreements~~, the value of the Issuer Investment Interest, the timing or amount of Clean Energy Adjustments payable by Specified Consumers or the IESO's performance of its obligations under this Agreement; provided, however, that the foregoing is not intended to, and shall not, impose any liability on the IESO for non-compliance with any Requirement of Law that the IESO is contesting in good faith in accordance with its customary standards and procedures.

5.5 Covenants Related to the Investment Interest

(a) So long as any Issuer Funding Obligations are outstanding, the IESO shall treat the Issuer Investment Interest as the Issuer's property for all purposes.

(b) Except for passive investments held for employee benefit purposes, the IESO shall not at any time become a holder of Issuer Funding Obligations ~~other than Funding Rebates~~.

(c) The IESO shall disclose the effects of all transactions between the IESO and the Issuer in accordance with generally accepted accounting principles (for government entities).

~~(d) The IESO agrees that upon completion of a Transfer, the IESO shall reduce the balance in the Fair Hydro Variance Account by the Purchase Price and will adjust the Regulatory Asset accordingly.~~

(d) ~~(e)~~ (i) ~~in~~**In** all Proceedings relating directly or indirectly to the Issuer Investment Interest, the IESO shall affirmatively certify and confirm that it has Transferred all of its rights and interests in and to the ~~specified portion~~**Specified Portion** of the Regulatory Asset giving rise to the Issuer Investment Interest, (ii) the IESO shall not make any statement or reference in respect of the Issuer Investment Interest that is inconsistent with the ownership interest of the Issuer, **and** (iii) the IESO shall not take any action in respect of the Issuer Investment Interest except solely in its capacity as the Servicer thereof pursuant to this Agreement~~, and (iv) the IESO shall not sell any portion of the Regulatory Asset pursuant to the Act to any other Person unless a Co-Owner Agreement has been entered into and the Rating Agency Condition has been satisfied with respect thereto~~.

5.6 Non-petition Covenants

Notwithstanding any prior termination of this Agreement or the Indenture, the IESO shall not, prior to the date that is one year plus one day after termination of the Indenture and the payment in full of all Issuer Funding Obligations and any other amounts owed under the Indenture, petition or otherwise invoke the process of any Governmental Authority for the purpose of commencing or sustaining a Proceeding against the Issuer under any Canadian bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official or any substantial part of the property of the Issuer.

5.7 Disclosure

The IESO shall provide ~~all~~**such non-confidential** information regarding ~~the~~ IESO, the ~~IESO Deferral, the~~ Regulatory Asset ~~or~~**and** the services provided by the Servicer hereunder (collectively, the "**IESO Disclosure**") as may be reasonably requested by the Issuer for

inclusion in any offering document of the Issuer from time to time, including but not limited to offering memoranda, prospectuses, registration statements and continuous disclosure documents and represents that**, except in respect information provided by a third party,** all such information is, **as** at the respective dates of delivery to the Issuer, true and correct in all material respects, contains no misrepresentation and constitutes full, true and plain disclosure of all material facts relating to the IESO Disclosure.

5.8 Further Assurances

Upon the request of the Issuer, the IESO shall execute and deliver such further instruments and do such further acts as may reasonably be necessary to carry out the provisions and purposes of this Agreement.

~~5.9 Co-Owner Agreements~~

~~The IESO shall not continue as or become a party to any purchase and sale agreement or similar arrangement (other than this Agreement) under which it sells all or any portion of the Regulatory Asset unless (i) the Rating Agency Condition shall have been satisfied, (ii) the Indenture Trustee, the Transferor and the other parties to such additional arrangement shall have entered into a Co-Owner Agreement in connection therewith, and (iii) the terms of the documentation evidencing such purchase and sale arrangement or similar arrangement shall expressly exclude the Issuer Investment Interest (including the Issuer Share of any Servicer CEA Collections) from any receivables, rights or other assets pledged or sold under such arrangement and unless the purchaser under such arrangement is a Financing Entity.~~

5.9 ~~5.10~~ Access to Certain Records and Information Regarding Investment Interest

The IESO shall provide to the Issuer and the Indenture Trustee access to all records relating to the IESO Deferral, the Fair Hydro Variance Account, the IESO Segregated Account and Servicer CEA ~~Collections~~**Receipts**, as is reasonably required for the Issuer and the Indenture Trustee to confirm compliance by the IESO with its obligations under this Agreement~~ and any other Program Agreements to which the IESO is a party~~. Access shall be afforded without charge, but only upon reasonable request and during normal business hours at the offices of the IESO. Nothing in this Section ~~5.10~~**5.9** shall affect the obligation of the IESO to comply with any Requirement of Law prohibiting disclosure of information, and the failure of the IESO to provide access to such information as a result of such obligation shall not constitute a breach of this Section ~~5.10~~**5.9**.

5.10 ~~5.11~~ Maintenance of Operations

Subject to Section ~~3.7~~**3.12**, the IESO agrees to continue, unless prevented by circumstances beyond its control, to operate as the electricity system operator in the Province of Ontario ~~in order to provide service~~ so long as it is acting as the Servicer under this Agreement.

ARTICLE 6
IESO INDEMNITIES

6.1 Liability of the IESO; Indemnities

(a) The IESO shall indemnify the Issuer, the Indenture Trustee (for itself and for the benefit of the Specified Creditors), the Manager~~, the Administrative Agent~~ and each of their respective trustees, officers, directors, employees and agents (each, an "**Indemnified Party**"), for, and defend and hold harmless each such Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "**Indemnified Losses**") imposed on, incurred by or asserted against any such Person as a result of (i) the failure of the IESO to perform its covenants and other obligations under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; **and** (ii) the IESO's breach of any of its representations or warranties under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and ~~(iii) any litigation and related expenses relating to the IESO's status and obligations as Servicer (other than any Proceeding the IESO is required to institute under this Agreement)~~, except to the extent of Indemnified Losses resulting from the willful misconduct, bad faith or gross negligence of such Person seeking indemnification hereunder; provided that, in each case, the IESO shall not be required to indemnify an Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any Proceeding or investigation without the written consent of the IESO, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Party of notice ~~(or, in the case of the Indenture Trustee, receipt of notice by a Responsible Officer only)~~ of the commencement of any Proceeding or investigation, such Indemnified Party shall, if a claim in respect thereof is to be made against the IESO under this Section 6.1(a), notify the IESO in writing of the commencement thereof. Failure by an Indemnified Party to so notify the IESO shall relieve the IESO from the obligation to indemnify and hold harmless such Indemnified Party under this Section 6.1(a) only to the extent that the IESO suffers actual prejudice as a result of such failure. With respect to any Proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.1(a), the IESO shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Party, the defence of any such Proceeding or investigation (in which case the IESO shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Party except as set forth below); provided, that the Indemnified Party shall have the right to participate in such Proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the IESO's election to assume the defence of any Proceeding or investigation, the Indemnified Party

shall have the right to employ separate counsel, and the IESO shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the defendants in any such action include both the Indemnified Party and the IESO and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it that are different from or additional to those available to the IESO, (ii) the IESO shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, (iii) the IESO ~~shall authorize~~**authorizes** the Indemnified Party to employ separate counsel at the expense of the IESO, or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the IESO shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Parties other than one local counsel, if appropriate. The IESO will not, without the prior written consent of the Indemnified Party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or Proceeding in respect of which indemnification may be sought under this Section 6.1(a) (whether or not the Indemnified Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising out of such claim or Proceeding.

(b) For purposes of Section 6.1(a), in the event of the termination of the rights and obligations of the IESO (or any successor thereto pursuant to Section ~~3.7~~**3.12**) as Servicer pursuant to Section 7.1, or a resignation by such Servicer pursuant to **Section 3.11 of** this Agreement, the IESO shall be deemed to be the Servicer pending appointment of a Successor Servicer pursuant to Section 7.2.

(c) Indemnification under Section 6.1(a) shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable legal fees and expenses), except as otherwise expressly provided in this Agreement.

(d) Indemnification under this Section 6.1 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Act and shall survive the resignation or removal of the Indenture Trustee or the termination of this Agreement and will rank *pari passu* with other general, unsecured obligations of the IESO. ~~Other than provided in the preceding sentence, the~~

(e) **The** IESO shall not **be required to** indemnify any party under this Section 6.1 for any **losses resulting from** changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision.

~~25847049.5~~

(f) ~~(e)~~ Except to the extent expressly provided in this Agreement (including the payment of the Purchase Price), the IESO hereby releases and discharges the Issuer ~~and the Indenture Trustee,~~ and each of ~~their respective~~**its** trustees, officers, directors and agents (collectively, the "**Released Parties**"), from any and all actions, claims and demands whatsoever, whenever arising, which the IESO, in its capacity as Servicer or otherwise, shall or may have against any such Person relating to the Investment Interest or the IESO's activities with respect thereto, other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

ARTICLE 7
SERVICER DEFAULT

7.1 Servicer Default

If any one or more of the following events (each, a "**Servicer Default**") shall occur and be continuing:

(a) any failure by the Servicer to remit to the Collection Account ~~on behalf of the Issuer~~ any required remittance that shall continue unremedied for a period of **[two/three] [NTD: Rating Agencies will expect 2-3 days]** Business Days after written notice of such failure is received by the Servicer from the Issuer ~~(with a copy to the Indenture Trustee)~~ or the Indenture Trustee or after discovery of such failure by a Responsible Officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, duly to observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in this Agreement (other than as provided in Section 7.1(a)) or any other Program Agreement to which it is a party, which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer ~~(with a copy to the Indenture Trustee)~~ or to the Servicer or the IESO, as the case may be, by the Indenture Trustee or (B) such failure is discovered by a Responsible Officer of the Servicer;

(c) any representation or warranty made by the Servicer in this Agreement, any other Program Agreement or in any Monthly Report, shall prove to have been incorrect when made, which has a material adverse effect on the Issuer, the Indenture Trustee or any other Specified Creditor and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the

same to be remedied, shall have been delivered to the Servicer (with a copy to the Indenture Trustee) by the Issuer or the Indenture Trustee or (ii) such failure is discovered by a Responsible Officer of the Servicer;

(d) an Insolvency Event occurs with respect to the Servicer or the IESO; **or**

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs; ~~or~~

~~(f) the termination or withdrawal of the "Servicing Guarantee" under the Provincial Protection and Assurances Agreement. **[NTD: Subject to finalization of the Provincial Protection and Assurances Agreement.]**~~

then, and in each and every case, the Indenture Trustee shall, upon the instruction of the Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, subject to the terms of any Co-Owner Agreement, by notice then given in writing to the Servicer (and to the Indenture Trustee if given by the Specified Creditors) (a "**Termination Notice**"), terminate all the rights and obligations (other than the obligations set forth in Section 6.1 and the obligation under Section 7.2 to continue performing its functions as Servicer until a Successor Servicer is appointed) of the Servicer under this Agreement and under the Co-Owner Agreement. In addition, upon a Servicer Default described in Section 7.1(a), the Specified Creditors and the Indenture Trustee (or any of their representatives) shall be entitled to apply to a court of appropriate jurisdiction for an order for sequestration and payment of revenues arising with respect to the ~~Investment Interest.~~**Issuer.** On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Agreement, whether with respect to the Investment Interest, the Clean Energy Adjustments or otherwise, shall, without further action, pass to and be vested in such Successor Servicer as may be appointed under Section 7.2; and, without limitation, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of all documents and records related to the Regulatory Asset, ~~the IESO Deferral,~~ the Fair Hydro Variance Account and related documents or records, or otherwise (the "**Records**"). The predecessor Servicer shall cooperate with the Successor Servicer, the Issuer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the Successor Servicer for administration by it of all Records and all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Investment Interest or the Clean Energy Adjustment. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Records to the Successor Servicer. If a Successor Servicer has been appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable legal fees and expenses) incurred in connection with transferring the Records to the Successor Servicer and amending this Agreement and any Co-Owner Agreement to reflect such succession as Servicer pursuant to this Section 7.1 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. Termination of the IESO as Servicer shall

not terminate the IESO's rights or obligations under this Agreement (except rights thereunder deriving from its rights as the Servicer hereunder).

7.2 Appointment of Successor Servicer

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 7.1 or the Servicer's resignation or removal in accordance with the terms of this Agreement, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, until a Successor Servicer shall have assumed in writing the obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Indenture Trustee may, and at the written direction and with the consent of the Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture** shall, but subject to the provisions of the applicable Co-Owner Agreement, appoint a Successor Servicer with the Issuer's prior written consent thereto (which consent shall not be unreasonably withheld), and the Successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuer. If, within 30 days after the delivery of the Termination Notice, a Successor Servicer shall not have been appointed, the Indenture Trustee may, at the direction of Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, petition a court of competent jurisdiction to appoint a Successor Servicer under this Agreement. A Person shall qualify as a Successor Servicer only if (i) such Person is permitted under the Act to perform the duties of the Servicer, (ii) the Rating Agency Condition shall have been satisfied with respect to such appointment, (iii) such Person enters into a master transfer and servicing agreement with the Issuer having substantially the same provisions as this Agreement and (iv) such Person agrees to perform the obligations of the Servicer under any Co-Owner Agreement. In no event shall the Indenture Trustee be liable for its appointment of a Successor Servicer. The Indenture Trustee's expenses incurred under this Section 7.2(a) shall be at the sole expense of the Issuer and payable from the Collection Account as provided in **[Section 8.02]** of the Indenture.

(b) Upon appointment, the Successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter placed on the predecessor Servicer and shall be entitled to all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

7.3 Waiver of Past Defaults

The Indenture Trustee, with the written consent of Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, may waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to the Collection Account in accordance with this Agreement. Upon any such waiver of a past

default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

7.4 Notice of Servicer Default

The Servicer shall deliver to the Issuer, the Manager, the Indenture Trustee and the Rating Agencies promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice of any event that, with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 7.1.

7.5 Cooperation with Successor Servicer

The Servicer covenants and agrees with the Issuer that it will, on an ongoing basis, cooperate with the Successor Servicer and provide whatever information is, and take whatever actions are, reasonably necessary to assist the Successor Servicer in performing its obligations hereunder.

ARTICLE 8
MISCELLANEOUS

8.1 Amendment

~~(a)~~ This Agreement may be amended in writing by the IESO ~~and~~, the Issuer ~~with (i) the prior written consent of~~ **and** the Indenture Trustee~~, and (ii) the~~ **and with** satisfaction of the Rating Agency Condition. Promptly after the execution of any such amendment ~~or consent~~, the Issuer shall furnish copies of such amendment ~~or consent~~ to each of the Rating Agencies.

8.2 Withholding Rights

The parties shall be entitled to deduct and withholding from amounts payable under this Agreement such amounts as each is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

8.3 No Partnership

Each party expressly disclaims any intention to create a partnership, and none of the Issuer, the **IESO or the Indenture Trustee will be deemed to be carrying on business in partnership by reason of its execution and delivery of this Agreement or the exercise or performance by it of its respective rights and obligations hereunder.**

~~(b) Prior to the execution of any amendment to this Agreement, the Issuer and the Indenture Trustee shall be entitled to receive and rely upon an Opinion of Counsel, which counsel may be an employee of or counsel to the Issuer or the IESO and which shall be reasonably satisfactory to the Indenture Trustee, or, in the Indenture Trustee's sole judgment, external counsel of the IESO stating that the execution of such amendment is authorized and permitted by this Agreement and that all conditions precedent provided for in this Agreement relating to such amendment have been complied with. The Issuer and the Indenture Trustee may, but shall not be obligated to, enter into any such amendment that affects their own rights, duties, indemnities or immunities under this Agreement or otherwise.~~

8.4 ~~8.2~~ Notices

Any notice, report or other communication given hereunder shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (b) upon receipt when sent by an overnight courier, (c) on the date personally delivered to an authorized officer of the party to which sent, or (d) on the date transmitted by electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the IESO, in its capacity as Transferor or Servicer:

Independent Electricity System Operator
~~[Address]~~**120 Adelaide Street West, Suite 1600**
Toronto, Ontario M5H 1T1

Attention: ~~■~~
Chief Financial Officer, General Counsel and Associate General Counsel
Email: ■

(b) in the case of the Issuer or the Manager (on behalf of the Issuer):

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

(c) in the case of the Indenture Trustee:

■
[Address]

Attention: ■
Email: ■

Each party hereto may, by notice given in accordance herewith to the other party or parties hereto, designate any further or different address to which subsequent notices, reports and other communications shall be sent. Any notice, report or communication required to be given by the IESO hereunder to a Rating Agency shall be given to the address provided by the Issuer from time to time.

8.5 ~~8.3~~ Assignment

Notwithstanding anything to the contrary contained herein, except as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the IESO.

8.6 ~~8.4~~ Limitations on Rights of Third Parties

The provisions of this Agreement are solely for the benefit of the IESO, the Issuer and, to the extent provided herein or in the other Program Agreements, the Indenture Trustee (for its own benefit and for the benefit of the Specified Creditors) and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Issuer Investment Interest or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

8.7 ~~8.5~~ Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.8 ~~8.6~~ Separate Counterparts; Electronic Delivery

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by a party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

8.9 ~~8.7~~ Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party to this Agreement attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

8.10 ~~8.8 Assignment~~Grant of Security Interest to Indenture Trustee

The IESO hereby acknowledges and consents to ~~any mortgage, pledge, assignment and~~the grant of a ~~security interest~~Lien by the Issuer to the Indenture Trustee pursuant to the Indenture for the benefit of the Specified Creditors ~~of~~against all right, title and interest of the Issuer in, to and under this Agreement, the Investment Interest and the proceeds thereof and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Specified Creditors. ~~In no event shall the Indenture Trustee have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder or in any of the certificates delivered pursuant hereto, as to all of which any recourse shall be had solely to the assets of the Issuer subject to the availability of funds therefor under Section [8.02] of the Indenture.~~

8.11 ~~8.9~~ Limitation of Liability of Indenture Trustee

It is expressly understood and agreed by the parties hereto that this Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee on behalf of the Specified Creditors, in the exercise of the powers and authority conferred and vested in it. The Indenture Trustee in acting hereunder is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

8.12 ~~8.10~~ Limitation of Liability of the Issuer Trustee

(a) It is expressly understood and agreed by the parties hereto that the Issuer Trustee is acting solely in its capacity as trustee of the Issuer, and not in any other capacity. The Issuer solely shall be responsible for the performance of the Issuer's obligations hereunder and the assets of the Issuer solely shall be subject to levy or execution in satisfaction of such obligations.

(b) The Issuer Trustee will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's

activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by the Issuer Trustee to be taken, or the Issuer Trustee's failure to compel in any way any former or acting Issuer Trustee to redress any breach of trust with respect to the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, provided that the foregoing limitation will not apply in respect of action or failure to act arising from or in connection with dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee, in doing anything or permitting anything to be done in respect of the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, is, and will be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section ~~8.10~~**8.12**, the Issuer Trustee will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the Issuer Trustee owned in its personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

(c) The holders of the units of the Issuer will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by it to be taken. The holders of the units of the Issuer will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the holders of the units of the Issuer owned in their personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

8.13 ~~**8.11**~~ **Waivers**

Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof; provided, however, that no such waiver delivered by the Issuer shall be effective unless the Indenture Trustee has given its prior written consent thereto. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party, with prompt written notice of any such waiver to be provided to the Rating Agencies. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor

in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

~~**8.12 Indenture Trustee Actions**~~

~~In acting hereunder, the Indenture Trustee shall have the rights, protections and immunities granted to it under the Indenture.~~

~~**8.13 Issuer Trustee**~~

~~In acting hereunder, the Issuer Trustee shall have the rights, protections and immunities granted to it under the Declaration of Trust.~~

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By:
Name:
Title:

By:
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

By:
Name:
Title:

By:
Name:
Title:

~~**ACKNOWLEDGED AND ACCEPTED:**~~

[INDENTURE TRUSTEE]
as Indenture Trustee

By:
Name:
Title:

By:
Name:
Title:

EXHIBIT A

FORM OF TRANSFER NOTICE

See attached

TRANSFER NOTICE

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

This Transfer Notice is delivered to you pursuant to Section 2.1 of a master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted by~~ **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Master Transfer and Servicing Agreement.

The Transferor hereby gives notice to the Issuer of its ~~desire~~**offer** to transfer to the Issuer on the Closing Date set out below, on a fully serviced basis, the ~~specified portion~~**Specified Portion** of the Regulatory Asset set out below, all in accordance with the terms and conditions of the Master Transfer and Servicing Agreement. In consideration for (i) the Transferor's Transfer to the Issuer of the ~~specified portion~~**Specified Portion** of the Regulatory Asset set out below, on a fully serviced basis, ~~**[and (ii) the Transferor's agreement to pay to the Issuer all (a) Funding Costs, (b) Finance Reserve Deposits, (c) Financing Entity Expenses, and (d) Tax Liabilities (net of Tax Refunds) that are incurred by the Issuer in connection with such Transfer,]**~~[4] the Issuer shall deliver or cause to be delivered to the Transferor on the Closing Date set out below, by wire transfer in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set out below.

Upon receipt by the Transferor of the Purchase Price on the Closing Date, (i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price**,** and the Regulatory Asset shall be adjusted accordingly; and (ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any

[4] ~~Funding Rebate language to be included in Transfer Notice only when Clean Energy Adjustment is not being charged.~~

adverse claim, and shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest.

Specified portion of Regulatory Asset: $■

Purchase Price: $■

Closing Date: ■

The Transferor hereby represents, warrants and confirms that:

(i) each of the representations and warranties on the part of the Transferor contained in the Master Transfer and Servicing Agreement are true and correct in all respects on the date hereof as if made on the date hereof;

(ii) the Transferor is not in breach of any of its covenants in the Master Transfer and Servicing Agreement; and

(iii) as of the date hereof, each condition precedent that must be satisfied by the Transferor under Section 2.2 of the Master Transfer and Servicing Agreement is capable of being satisfied prior to Closing Date.

The closing shall take place at ■ (Toronto time) on the Closing Date referred to above at the offices of ■, except as may be otherwise mutually agreed. **The Purchase Price shall be paid on that date by bank wire transfer to [insert IESO bank account details].**

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

The undersigned hereby accepts the foregoing offer.

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT B

FORM OF MONTHLY REPORT

See Attached

MONTHLY REPORT

[NTD: Subject to continuing review by the Dealers and ~~Counsel to confirm form of Monthly IESO Report~~their counsel.]

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted~~ by **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Report have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ~~3.3~~■ of the Master Transfer and Servicing Agreement the Servicer hereby certifies in respect of the Billing Period corresponding to the calendar month of ■, ■, as follows:

	Item	**Amount**
(A)	Servicer CEA ~~Collections~~**Receipts**:	$■
(B)	Balance of Collection Account:	$■

[NTD: Any additional information considered necessary for OPG/IESO to be included.]

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT C

FORM OF MONTHLY ~~FUNDING REBATE~~CARRYING COSTS STATEMENT

See Attached

MONTHLY ~~FUNDING REBATE~~CARRYING COSTS STATEMENT

TO: INDEPENDENT ELECTRICITY SYSTEM OPERATOR
[Address]

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted by~~ **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly ~~Funding Rebate~~**Carrying Costs** Statement have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ~~3.4(a)~~**3.14** of the Master Transfer and Servicing Agreement, the undersigned hereby certifies that the Monthly ~~Funding Expenses incurred by the Issuer~~**Carrying Costs** in respect of the calendar month of ■, ■ are as follows:

~~Monthly Funding Expense~~	**Amount**
Funding ~~Costs~~**costs**:	$■
~~Finance Reserve Deposits~~**Derivative payments to be made**:	$■
Amounts deposited into accounts other than capital accounts:	**$■**
Financing ~~Entity Expenses~~**entity expenses**:	$■
Tax ~~Liabilities (net of Tax Refunds)~~**liabilities**:	$■
~~Total Monthly Funding Expense~~**Subtotal**:	$■
LESS:	
Amounts withdrawn from accounts other than capital accounts:	
Derivative payments to be received:	
Tax refunds:	**$■**
Subtotal:	**$■**
Monthly Carrying Costs	**$■**

~~**[NTD: Any additional information considered necessary for OPG/IESO to be included.]**~~

In accordance with Section ~~3.4~~**3.14**(b) of the Master Transfer and Servicing Agreement, the undersigned hereby directs you to deliver to the Issuer, by wire transfer to the account set forth below, an amount in Canadian dollars equal to the ~~Total~~ Monthly ~~Funding Expense~~**Carrying Costs** set forth above on or before ■, 20■, and this shall be your good and valid authority for so doing.

[NTD: Wire transfer instructions to be provided by OPG.]

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Document comparison by Workshare Compare on October-25-17 12:04:10 PM

Input:	
Document 1 ID	file://C:\Users\rramchan\Desktop\Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version).docx
Description	Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version)
Document 2 ID	interwovenSite://INVENTORYS1/TorysAtWork/24367979/3
Description	#24367979v3<TorysAtWork> - Fair Hydro - MTSA (Osler Oct 20 Draft)
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	437
Deletions	421
Moved from	29
Moved to	29
Style change	0
Format changed	0

Total changes	916

SECURITY AGREEMENT

THIS AGREEMENT made as of the ____ day of December, 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital established by the *Electricity Act, 1998*, SO, 1998,

(hereinafter referred to as the "**Grantor**"),

IN FAVOUR OF: -

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario,

(hereinafter referred to as the "**Secured Party**"),

ACKNOWLEDGED AND ACCEPTED BY:

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee,

(hereinafter referred to as the "**Indenture Trustee**"),

WHEREAS under Regulation 206/17 made under the *Ontario Fair Hydro Plan Act, 2017* (the "**Regulation**"), the Grantor is required to pay and remit to the Secured Party any amounts charged to the Grantor by the Secured Party in respect of Carrying Costs of the Secured Party during the period beginning on April 1, 2017 and ending on June 30, 2021 (the "**Statutory Obligation**");

AND WHEREAS the Grantor (collectively referred to as the "**Parties**") has agreed to enter into a security agreement in favour of the Secured Party as security for, inter alia, the performance of the Statutory Obligation;

AND WHEREAS this Agreement has been assigned by the Secured Party, by way of security, to the Indenture Trustee and the Indenture Trustee wishes to acknowledge and accept the terms of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that, for and in consideration of the premises, mutual covenants and conditions herein contained and such other lawful and valuable consideration the receipt of sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. INTERPRETATION

1.1 Defined Terms

In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

(a) "**Account**" shall have the meaning attributed to such term in the PPSA;

(b) "**Appropriation**" shall have the meaning ascribed to such term in the *Financial Administration Act*, R.S.O. 1990, c. F-12, as amended;

(c) "**Breach**" shall have the meaning attributed to such term in Section 6.1;

(d) "**Business Day**" means any day other than a Saturday or a Sunday on which banks generally are open for business in Toronto, Ontario;

(e) "**Carrying Costs**" shall have the meaning attributed to such term in the Regulation;

(f) "**Collateral**" shall have the meaning attributed to such term in Section 2.1;

(g) "**Excluded Accounts**" means all amounts payable to the Grantor pursuant to Appropriations;

(h) "**Money**" shall have the meaning attributed to such term in the PPSA;

(i) "**Permitted Liens**" means liens approved in writing by the Secured Party and the Indenture Trustee ;

(j) "**PPSA**" means the *Personal Property Security Act* (Ontario), as amended from time to time, and any regulations thereto;

(k) "**Proceeds**" shall have the meaning attributed to such term in the PPSA;

(l) **"Receiver"** shall have the meaning attributed to such term in Section 6.2 of this Agreement;

(m) "**Regulation**" shall have the meaning attributed to such term in the recitals hereto;

(n) "**Statutory Obligation**" shall have the meaning attributed to such term in the recitals hereto.

1.2 Other Usages

References to "this Agreement", "hereof", "herein", "hereto" and like references refer to this Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.3 Plural and Singular

Where the context so requires, the words importing the singular number shall include the plural and vice versa.

1.4 Headings

The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Applicable Law

This Agreement and all documents delivered pursuant hereto shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Parties do hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

1.6 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.7 Time of the Essence

Time shall in all respects be of the essence of this Agreement.

1.8 Recitals and Schedules

Each and every one of the recitals and schedules which are referred to in this Agreement and attached to this Agreement shall form an integral part of this Agreement.

2. SECURITY INTEREST

2.1 Grant of Security Interest

As general and continuing security for the payment and performance of the Statutory Obligation, the Grantor hereby assigns, transfers, sets over and grants a first-priority security interest to the Secured Party in the following (collectively, the "**Collateral**"):

(a) all Accounts, debts, choses in action and demands of every nature and kind, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Grantor, excluding Excluded Accounts;

(b) all deeds, documents, writings, papers and books relating to or being records of the property described in Section 2.1(a); and

(c) all Proceeds and renewals of the foregoing, in whatever form, together with all substitutions therefore.

Whenever used elsewhere in this Agreement, the expression "**security interest**" refers to the security interest created in this Section 2.1.

2.2 Attachment of Security Interest

The Grantor acknowledges and agrees that (i) value has been given, (ii) the Grantor has rights in the Collateral, and (iii) the security interest shall attach to existing Collateral upon execution of this Agreement by the Grantor and to each item of after-acquired Collateral at the time that the Grantor acquires any rights therein.

3. COVENANTS OF THE GRANTOR

3.1 Covenants

The Grantor hereby covenants and agrees with the Secured Party as follows:

(a) Not to pay any other obligations of the Grantor at any time when its Statutory Obligation to pay Carrying Costs is in arrears, except to the extent that such other obligations are satisfied from amounts payable to the Grantor pursuant to Appropriations.

(b) To promptly pay all taxes, assessments, rates, levies, payroll deductions, vacation pay, workers' compensation assessments, and any other charges which could result in the creation of a statutory lien or deemed trust in respect of the Collateral.

(c) To defend the Collateral against the claims and demands of all other persons claiming the same or an interest therein and to promptly notify the Secured Party of any such claim or demand.

(d) To deliver to the Secured Party such information concerning the Collateral or the Grantor as the Secured Party may reasonably request from time to time.

(e) To do, make, execute and deliver such further and other assignments, transfers, deeds, agreements and other documents as may be required by the Secured Party to establish in favour of the Secured Party the security interest intended to be created hereby and to accomplish the intention of this Agreement.

3.2 Performance of Covenants by the Secured Party

The Secured Party may, in its sole discretion and upon notice to and at the expense of the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform and that the Secured Party is capable of performing, provided that the Secured Party will not be obligated to perform any such covenant on behalf of the Grantor and no such performance by the

Secured Party will require the Secured Party further to perform the Grantor's covenants nor operate as a derogation of the rights and remedies of the Secured Party under this Agreement.

4. DEALING WITH COLLATERAL

4.1 Grantor's Rights before Breach

Until the occurrence of a Breach and subject to the terms hereof, the Grantor shall be entitled to deal with the Collateral in the ordinary course of business, provided however, that no such action shall be taken which would impair the effectiveness of the security interests created hereby or the value of the Collateral or which would be inconsistent with or violate the Regulation, the provisions of this Agreement or any other written agreement between the Secured Party and the Grantor.

4.2 General Restrictions

The Grantor shall not, without the prior written consent of the Secured Party:

(a) sell, lease or otherwise dispose of the Collateral or any part thereof except in the ordinary course of business;

(b) release, surrender or abandon possession of the Collateral or any part thereof; or

(c) enter into or grant, create, assume or suffer to exist any mortgage, charge, hypothec, assignment, pledge, lien or other security interest or encumbrance affecting any of the Collateral except the Permitted Liens.

4.3 Release by the Secured Party

The Secured Party may, at its discretion but subject to the written approval of the Indenture Trustee, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Statutory Obligation either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

5. REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties

The Grantor hereby represents and warrants to the Secured Party, the matters set out below:

(a) **Incorporation and Qualifications** – The Grantor is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite power and authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it, and to execute, deliver and carry out the terms of this Agreement.

(b) **Corporate Authority and Power** – The Grantor has the requisite power and authority to execute and deliver this Agreement and to carry out its terms. The

execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary action on the part of the Grantor under all applicable laws.

(c) **No Other Business Names or Styles** – The Grantor does not carry on business under or use any name or style other than the name(s) specified in Schedule A to this Agreement including.

(d) **Non-Conflict** – Neither the execution nor the performance of this Agreement requires the approval of any regulatory agency having jurisdiction over the Grantor nor is this Agreement in contravention of or in conflict with the by-laws or resolutions of the directors or shareholders of the Grantor or of the provisions of any agreement to which the Grantor is a party or by which any of its property may be bound or of any statute, regulation, by-law, ordinance or other law, or to the best of its knowledge of any judgement, decree, award, ruling or order to which the Grantor or any of its property may be subject, other than approvals that have been obtained.

(e) **Ownership of Collateral Free of Liens** – The Grantor is the owner of or has rights in the Collateral free and clear of any liens other than Permitted Liens.

(f) **Grantor Information** – Schedule A sets forth (a) the Grantor's jurisdiction of incorporation, (b) the location of the Grantor's registered office and business operations and records, and (c) the Grantor's exact legal name (in English and French).

(g) **Enforceability** – This Agreement constitutes a valid and legally binding obligation of the Grantor enforceable against it in accordance with its terms, subject to general equitable principles, including the fact that the availability of equitable remedies, such as injunctive relief and specific performance, is in the discretion of the court.

5.2 Reliance and Survival

All representations and warranties of the Grantor made in this Agreement or in any certificate or other document delivered by or on behalf of the Grantor to or for the benefit of the Secured Party are material, shall survive the execution and delivery of this Agreement and shall continue in full force and effect without time limit. The Secured Party shall be deemed to have relied upon each such representation and warranty notwithstanding any investigation made by or on behalf of the Secured Party at any time.

6. BREACH AND ENFORCEMENT

6.1 Enforceability of Security

The security hereby constituted shall become enforceable upon the occurrence of any of the following events each of which shall constitute a "**Breach**":

(a) the Grantor is in breach of the Statutory Obligation;

(b) any representation or warranty made or deemed made by or on behalf of the Grantor to the Secured Party under or in connection with this Agreement shall be materially false on the date as of which made; or

(c) any breach by the Grantor of any of the covenants, terms or provisions of Article 3 of this Agreement.

6.2 Remedies

At any time after the happening of any Breach, the Secured Party shall have the following rights, powers and remedies:

(a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Secured Party so desires; it being agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Secured Party hereunder;

(b) to make payments to parties having prior charges or encumbrances on the Collateral;

(c) to preserve, protect and maintain the Collateral;

(d) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement;

(e) to sell or dispose of all or any part of the Collateral whether by public or private sale or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including without limitation, terms that provide time for payment on credit;

(f) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;

(g) to notify the account debtors or obligors under any Accounts (other than Excluded Accounts) of the assignment of such Accounts to the Secured Party and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Grantor thereunder directly to the Secured Party and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Grantor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done; and

(h) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Secured Party, the Receiver or the Grantor for the purpose of exercising any of the rights, powers and remedies set out in this Section, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral.

6.3 Special Rules re Accounts

After the security hereby constituted becomes enforceable,

(a) all Money or other form of payment received by the Grantor in respect of all of its Accounts shall be received in trust for the benefit of the Secured Party hereunder, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Secured Party in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 6.8; and

(b) the Grantor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

6.4 Receiver as Agent

The Receiver shall be deemed to be the agent of the Grantor for the purpose of establishing liability for the acts or omissions of the Receiver and the Secured Party shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Grantor hereby irrevocably authorizes the Secured Party to give instructions to the Receiver relating to the performance of its duties as set out herein.

6.5 Expenses of Enforcement

The Grantor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, legal fees and disbursements on a full indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Secured Party and the Receiver as required all amounts of Money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Grantor to the Secured Party and the Receiver pursuant to this Section 6.5 shall be payable on demand.

6.6 Indulgences and Releases

Either the Secured Party or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Grantor, debtors of the Grantor, sureties and others and with the Collateral and other security as the Secured Party or the Receiver may see fit without prejudice to the Statutory Obligation or the right of the Secured Party and the Receiver to repossess, hold, collect and realize the Collateral.

6.7 No Liability for Failure to Exercise Remedies

The Secured Party and the Receiver shall not be liable or accountable to the Grantor or to any other person for any failure to exercise any of the rights, powers and remedies set out in this Agreement, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Secured Party, the Receiver, the Grantor or any other party in respect of the same.

6.8 Proceeds of Disposition

All Moneys received by the Secured Party or by the Receiver pursuant to Section 6.2 shall be applied as follows:

(a) first, in payment of all costs and expenses incurred by the Secured Party in the exercise of all or any of the powers granted to it under this Agreement and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 6.5;

(b) second, in payment of all amounts of Money borrowed or advanced by either of the Secured Party or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;

(c) third, in payment of the Statutory Obligation, provided that if there are not sufficient Moneys to fully pay and perform the Statutory Obligation, the Secured Party may apply the Moneys available to such part or parts thereof as the Secured Party, in its sole discretion, may determine; and

(d) fourth, in payment of any surplus in accordance with applicable law.

6.9 Grantor Liable for Deficiency

If the Moneys received by the Secured Party or the Receiver pursuant to Section 6.2 are not sufficient to pay the claims set out in Section 6.8, the Grantor shall immediately pay the Secured Party the amount of such deficiency.

6.10 Restriction on Grantor

Upon the Secured Party taking possession of the Collateral or the appointment of a Receiver, all the powers, functions, rights and privileges of the Grantor or any officer, director, servant or agent of the Grantor with respect to the Collateral shall, to the extent permitted by applicable law, be suspended unless specifically continued by the written consent of the Secured Party; however, all other powers, functions, rights and privileges of the Grantor or any officer, director, servant or agent of the Grantor shall be unaffected by such events.

6.11 Rights Cumulative

All rights and remedies of the Secured Party set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute.

6.12 Care by the Secured Party

The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in the Secured Party's possession if it takes such action for

that purpose as the Grantor requests in writing, but failure of the Secured Party to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Secured Party to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Grantor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

6.13 Application by Grantor re: Receiver

The Grantor hereby irrevocably waives its right to make an application to any court with respect to the appointment, powers or remuneration of the Receiver.

7. GENERAL

7.1 Waiver

Any breach by the Grantor of any of the provisions contained in this Agreement or any default by the Grantor in the observance or performance of any covenant or condition required to be observed or performed by the Grantor hereunder, may only be waived by the Secured Party in writing, provided that no such waiver by the Secured Party shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

7.2 The Secured Party as Attorney

The Grantor hereby irrevocably appoints the Secured Party and any person further designated by the Secured Party to be the attorney of the Grantor for and in the name of the Grantor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Grantor is obliged to sign, execute or do hereunder and, after the happening of any Breach, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Grantor in the exercise of all or any of the powers hereby conferred on the Secured Party. These powers are coupled with an interest, have been given for valuable consideration (the receipt and adequacy of which is acknowledged), survive, and do not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Grantor, and are irrevocable until the Statutory Obligation has been satisfied in full and this Agreement is terminated and the security interest created herein has been released. This power of attorney extends to and is binding upon the Grantor's successors and permitted assigns. The Grantor authorizes the Secured Party to delegate in writing to another person any power and authority of the Secured Party under this power of attorney as may be necessary or desirable in the opinion of the Secured Party, and to revoke or suspend such delegation.

7.3 Further Assurances

The Grantor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party shall reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party a security interest in the Collateral, or which the Grantor may hereafter become bound to charge in favour of the Secured Party, for the purpose of accomplishing and effecting the intention of this Agreement.

7.4 Amalgamation of the Grantor

The Grantor acknowledges and agrees that in the event that it amalgamates with any other persons, then (i) the Collateral and the security interest shall extend to and include all of the property and undertaking that any of the amalgamating corporations then owns, all of the property and undertaking that the amalgamated corporation thereafter acquires, all of the property and undertaking in which any of the amalgamating corporations then has any interest, and all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest, and (ii) all references herein to the Grantor shall extend to and include the amalgamated corporation.

7.5 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Statutory Obligation until the Statutory Obligation is paid and performed in full.

7.6 Notices

All notices and other communications provided for herein shall be in writing and shall be personally delivered to an officer or other responsible employee of the addressee or sent by facsimile, charges prepaid, at or to the applicable address or facsimile number, as the case may be, of the party set opposite its name below or at or to such other address or addresses or facsimile number or numbers as either party may from time to time designate to the other party in such manner. Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of delivery. Any communication which is transmitted by facsimile as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of transmission.

In the case of the Grantor:

Independent Electricity System Operator
[Address]

Attention: ■
Email: ■
Facsimile: ■

In the case of the Secured Party:

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■
Facsimile: ■

7.7 Assignment

The Secured Party may from time to time upon notice to, but without the consent of the Grantor, assign or transfer this Agreement to any other person (the "**Assignee**"). The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Secured Party. The Grantor shall not be entitled to assign or transfer this Agreement or any of the Grantor's rights, duties or obligations hereunder without the prior written consent of the Secured Party.

7.8 Successors and Assigns

This Agreement shall enure to the benefit of the Secured Party and its successors and assigns and shall be binding upon the Grantor and its successors and permitted assigns.

7.9 Amendments

This Agreement may not be amended or otherwise modified except by an instrument in writing executed by all the Parties.

7.10 Entire Agreement

This Agreement and the agreements referred to herein and any document, agreement or instrument delivered pursuant to such agreements constitute the entire agreement between the Parties and supersede any prior agreements, undertakings, declarations, representations and undertakings, both written and verbal, in respect of the subject matter hereof.

7.11 Receipt of Agreement and Financing Statement.

The Grantor hereby acknowledges receipt of an executed copy of this Agreement and of the financing statement registered under the PPSA evidencing the security interest created hereby.

7.12 Counterpart

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

7.13 Delivery by Facsimile or Electronic Transmission

This Agreement may be executed and delivered by facsimile or electronic transmission and each of the Parties may rely on such facsimile or electronic signature as though such facsimile signature were an original signature.

[NEXT PAGE IS SIGNATURE PAGE]

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date first written above.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC., as Secured Party

By: _____
Name:
Title:

By: _____
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Grantor

By: _____
Name:
Title:

By: _____
Name:
Title:

ACKNOWLEDGED AND ACCEPTED:

[INDENTURE TRUSTEE]
as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

GRANTOR INFORMATION

1. **Grantor's exact legal name: Independent Electricity System Operator**

   ■ [French]

2. **Grantor's jurisdiction of incorporation: Ontario**

3. **Grantor's registered office address: ■**

4. **Location of Grantor's business operations and records: ■**

From: Hanslep, Malle (MOF) [Malle.Hanslep@ontario.ca]
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
CC: Tobias P. Whitfield (MOF) [Tobias.Whitfield@ontario.ca]
Subject: FW: Fair Hydro -- Change of Law Assumption Agreement
Date: Wednesday, October 25, 2017 14:44:42
Attachment 1: image001.jpg
Attachment 2: Response to OPG comments on Change of Law Protection Agreement.docx

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From: Whitfield, Tobias P. (MOF)
Sent: October 13, 2017 4:47 PM
To: Mansoori, Nina
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Please find attached our comments on your response of October 6. We have moved the text of your email to the attached document and responded inline in square brackets for ease of review.

We recognize that we are running out of time, and that we should discuss and move this forward at the beginning of next week.

We also generally recognize that, although there are still some gaps in our respective approaches, we would find it helpful to have some more specific suggestions and comments on our Sept. 27 draft in order to help move this forward. This might include also the timing issues, with some indication of where, if OPG finds the timing does not work, some alternatives can be suggested for consideration.

Best
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: October 6, 2017 5:58 PM
To: Whitfield, Tobias P. (MOF)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna

-TREASURY'
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,
Nina

Accounting Issues:
E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence
-that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt
-the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts)
-the negative pledge with respect to the exercise of certain options on the debt
-the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have. Please also advise if the Province's accountants have reviewed the proposal.

Practical Issues:

- The procedural steps to bind the Province are lengthy and complicated. From our perspective, as drafted, OPG will likely have to seek Provincial approval on each debt issuance (which weakens the accounting as discussed above). The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself. Setting aside the mechanics of how we get there, the dealers want comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement. We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province

delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met. The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.

- In addition to the accounting concerns, the level of detail and frequency of reporting required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.

Drafting Issues:

- Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.
- We'd like to understand the reason OPG's management fees have been excluded. We assume you do not intend for OPG's reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? Please advise why taxes are being excluded?
- There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.
- We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: September-27-17 4:21 PM
To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Mansoori, Nina <nmansoori@torys.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Rima,

Further to our earlier conversations, please find attached our proposed process for confirmation of application of the Protection Agreement.

We would be happy to discuss further when you have had a chance to review.

Best
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: September 25, 2017 12:21 PM
To: 'STEPHEN.ASHBOURNE@blakes.com'; Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Good morning all, just following up on our email below. Please let us know when we should expect your feedback.

Many thanks,
Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

[torys.com]

From: Ramchandani, Rima
Sent: September-19-17 9:55 PM
To: 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Fair Hydro -- Change of Law Assumption Agreement

Steve, Malle and Toby, further to our meeting the other day, set out below for your review is a proposal on the Provincial approval process under the Change of Law Assumption Agreement.

Once we have your feedback on this, we will need to share it with Osler and the accountants and as John mentioned, we are under some time pressure to bring this to a resolution prior to the upcoming June 29 OPG Board meeting. We look forward to your comments, and feel free to reach out if you have any questions. -- Rima

Obligor Approval

The Change of Law Assumption Agreement will apply to all Specified Claims relating to Funding Obligations that are incurred by an Eligible Financing Entity in accordance with the Obligor's approval process. The definition of Specified Claims to be mutually agreed by all parties.

In order for a Financing Entity to become designated as an Eligible Financing Entity by the Obligor, prior to the initial issuance of Funding Obligations by such Financing Entity, the Obligor will be provided with copies of the following documents (collectively the "Program Documents") for review:

(i) the constating documents of such Financing Entity;
(ii) the management agreement between the Financing Entity and OPG;
(iii) the master transfer and servicing agreement between the Financing Entity and the IESO;
(iv) the master trust indenture governing the issuance of Funding Obligations by the Financing Entity;
(v) a form of supplemental indenture governing the issuance of bonds, issuable in series, by the Financing Entity;
(vi) a form of note purchase agreement or credit agreement governing the issuance of short term Funding Obligations by the Financing Entity;
(vii) a form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; and
(viii) such other documents as may be requested by the Obligor.

Once a Financing Entity is designated by the Obligor as an Eligible Financing Entity, it will not be necessary for the Obligor to approve the documentation related to specific issuances of Funding Obligations; however, OPG will be expected to notify the Obligor of any new material program documentation or any material amendments to existing program documentation before such new documentation or amendments become effective. The failure of OPG to provide any such notice will not invalidate the application of the Change of Law Assumption Agreement to any Specified Claims.

It will not be necessary for the Obligor to approve each new issuance of Funding Obligations provided that such Funding Obligations are issued in accordance with following:

(1) The Funding Obligations are issued in accordance with agreements that contain: (a) covenants of the Eligible Financing Entity that are no more onerous in any material respect and (b) events of default that are consistent in all material respects, respectively, with the covenants of the Eligible Financing Entity and events of default contained in the draft Program Documents.

(2) At least [30 days] prior to the initial issuance of Funding Obligations by an Eligible Financing Entity, OPG will provide the Obligor with a forecast of the principal amount and expected term of

the Funding Obligations that OPG expects such Eligible Financing Entity to issue in accordance with the Financing Plan in the next two years (a "Two Year Forecast"). The execution of the Change of Law Assumption Agreement in respect of such Eligible Financing Entity shall constitute the Obligor's approval of the issuance of Funding Obligations by such Eligible Financing Entity in accordance with the Two Year Forecast.

(3) OPG shall provide the Obligor with an updated Two Year Forecast between 9 and 12 months prior to the expiry of each current Two Year Forecast.

(4) Unless the Obligor provides OPG with a written notice no later than 3 months prior to the date following receipt of the current Two Year Forecast that the Change of Law Assumption Agreement will be inapplicable with respect to new Funding Obligations incurred following the expiry of the current Two Year Forecast, the Obligor will be deemed to approve the application of the Change of Law Assumption Agreement to all Funding Obligations incurred up to the expiry of the new Two Year Forecast.

At the time of issuance of Funding Obligations by an Eligible Financing Entity, the Financing Entity will provide (i) any required certifications to the underwriters/agents that such Funding Obligations are covered by the Change of Law Assumption Agreement; and (ii) notice to the Obligor of the material terms of the Funding Obligations issued, together with electronic copies of the final executed Program Documents.

P. 416.865.7666

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Le présent courriel et les documents qui y sont joints sont exclusivement réservés à l'utilisation des destinataires concernés et peuvent être de nature privilégiée ou confidentielle. Toute distribution, impression ou autre utilisation est interdite aux autres personnes. Si vous ne faites pas partie des destinataires concernés, veuillez en informer immédiatement l'expéditeur, ainsi que supprimer ce courriel et les documents joints de manière permanente.

TORYS
LLP

[NOTE TO DRAFT: CONFIRM THAT TORYS IS REFERRING TO THE OFA/MOE PROPOSAL FROM SEPTEMBER 27TH.]

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,
Nina

Accounting Issues:
E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

[There is minimal oversight and input from the Province so long as the pre-agreed scope and parameters are adhered to.]

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence

[The proposal is that basic information regarding an incurrence will be provided to enable the province to (1) understand the nature and scope of the incurrence, to enable the Province to address internal governance considerations and (2) to be satisfied that the proposed incurrences are in-line with the pre-agreed parameters (the "Parameters"). The intention is not to curtail incurrences that follow the pre-agreed approach. The timing of the notice to the Province may be a point of discussion.]

-that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt
[As the entity running the program, OPG will be expected to provide the province with information sufficient to enable the province to make sure any incurrence falls inside the Parameters. The delivery of a certificate in an agreed form, just prior to the time of the incurrence, is meant to create a brightline test for the financing entity's counterparties to know that, so long as the certificate has been delivered (even if it's inaccurate), the Province will be bound. As you suggest below, any inaccuracy will give rise to considerations between the province and OPG. The delivery of the certificate at the time of an incurrence is considered an important due diligence confirmation for the province.
What is the basis for E&Y expressing a reservation regarding the province having access to underlying information about the "approved obligations", which in turn will define the scope of the

province's own obligations if called upon under the change of law protection agreement (CLPA)?]
-the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts)
[Any surety in a similar circumstance would want to know the nature and extent of the obligations incurred and to be incurred. That information is intended to allow the province to ensure compliance with the Parameters. Please provide an alternative proposal that meets OPGs requirements and still provides adequate information for the Province.]
-the negative pledge with respect to the exercise of certain options on the debt
[The idea is that if there is optionality in favour of the financing entity, and the exercise would affect the payment profile under the CLPA, such an exercise following a Protection Event should not affect the Province's payment obligations. In effect, the payment schedule will crystalize and cannot be accelerated or extended once the province becomes obligated to pay, following a Protection Event.]
-the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement
[The Province needs to understand the overall credit picture of the financing entity since it will become a creditor (through subrogation) if it is called on to perform. Exclusions are narrowly defined and should be minimal in practice.]

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have.
[These checks and balances are in-line with the province not writing a "blank cheque" in relation to future incurrences. Prudent sureties would be expected to exercise diligence - indeed to do less could be evidence of interdependence and non-arm's length terms, which presumably would be unhelpful to E&Y's analysis.] Please also advise if the Province's accountants have reviewed the proposal.
[The Province's accountants are involved in this process and are also reviewing the proposal]

Practical Issues:

- The procedural steps to bind the Province are lengthy and complicated.

[The OFHPA will involve very significant and complex financings. The process is intended to provide an appropriate level of third party enquiry given the size and scale of the financing program to the province and in order to ensure the issuances are within the Parameters.] From our perspective, as drafted, OPG will likely have to seek Provincial approval
[No approval is contemplated or expected by the Province, except if the incurrence is outside of the pre-agreed boundaries.] on each debt issuance (which weakens the accounting as discussed above)
[An explanation of the relevant accounting principles that E&Y has expressed concern about would assist the province to understand E&Y'S concerns. Also, a detailed list of any particular troublesome requirements would be helpful, with drafting suggestions as appropriate] [The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself.
[From the dealers' perspective, the three listed requirements (namely, (1) quantum under the program limit (2) delivery of the OPG certificate (3) absence of contrary notice from the Province) can be easily and objectively verified by the dealers. These process requirements should be reflected in the incurrence procedures as a check/balance at the relevant time, given that the province will not otherwise be directly involved in the incurrence process but will be obligated under the CLPA] Setting aside the mechanics of how we get there, the dealers want

comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement.

[As noted above, the three listed requirements can be easily and objectively confirmed by the dealers prior to a closing. inaccuracies or other failures within the certification process will not negate the Province's obligations] We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met.

[As noted, this due diligence check/balance is how the province will ensure the issuances satisfy the Parameters. It is anticipated that the Ministers will see this process as significant to the exercise of their authorities under OFHPA 5(3). Ultimately, the Province will depend on OPG, which is why the delivery of a certificate, without being impugned by an accuracy, is the contemplated adherence condition - rather than making the confirmation of certificate accuracy a condition, which we assume would be unwelcome by the underwriters.] The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.

[The Province wants an actual certificate to be delivered to it (not just the indenture trustee) as part of the closing process. Also, the program limit and failsafe disapproval notice are considered to be important safeguards for the province]

- In addition to the accounting concerns, the level of detail and frequency of reporting required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.
- [In the case of details not known at the time the OPG certificate is to be delivered (which will be expected to occur close to closing), it should be sufficient to indicate the process by which those details will be finalized. For example, it would be sufficient to say "interest rates to be set on or about [date] based on underwriting syndicate pricing indications".]

Drafting Issues:

- Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.
- [The proposal uses the specific defined terms from the OFHPA and regulation, in order to tie back to the statute and appropriately narrow the scope to the obligations that are reasonably known to require protection from the province. Considerable thought has been given to the approach reflected in the province's proposal. The Province wishes to focus on each inclusion that requires the support arrangements, which should then be net of available/free cash flows, set-offs, etc. Please provide specific comments on any specific items of concerns.]
- We'd like to understand the reason OPG's management fees have been excluded. [This is still an open question under consideration.] We assume you do not intend for OPG's

reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? [Under consideration] Please advise why taxes are being excluded?

[CRA does not require/is not entitled by law to the benefit of the protection arrangement. Please explain the logic of the request to include taxes]

- There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.

[For the Province's support arrangement to apply to an obligation, the quantum of the obligation must be factored into the program maximum test. if the obligation is a contingent obligation, the province's obligations must be capped so that the amount of the cap can be factored into the program limit test]

- We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

[In the interest of time, please provide any other detailed comments you may have on the September 27th version of the proposal as soon as possible]

From: Hanslep, Malle (MOF) [Malle.Hanslep@ontario.ca]
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
CC: Tobias P. Whitfield (MOF) [Tobias.Whitfield@ontario.ca]
Subject: FW: Fair Hydro -- Change of Law Assumption Agreement
Date: Wednesday, October 25, 2017 14:44:02
Attachment 1: Warehouse Supplement - October 17, 2017.doc

FYI

-----Original Message-----

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: October 21, 2017 11:28 PM

To: Whitfield, Tobias P. (MOF)

Cc: 'LEE John -TREASURY'; 'RYFA Ken -TREASURY'; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'; Emes, Aaron; Mansoori, Nina

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thanks for your email. Based on the term sheet, since the Province isn't guaranteeing the obligations under these agreements but only stepping in if there is a change of law "protection event", we did not expect the drafting of the Change of Law Protection Agreement would be implicated by these other agreements (particularly now that we have proposed dealing with the Province's approval of the various program agreements in a separate procedures document). We also understand that in order to be in a position to close on a financing before year end, the Change of Law Protection Agreement needs to be substantially settled by early November. If that is still the case, then we expect the dealers and their counsel will need to see a draft in this coming week.

In the interest of time, we have attached an initial draft of the supplemental indenture for the warehouse facility which, as noted previously, has not yet been reviewed by OPG and Torys. The supplemental for the long term financing will be a simpler document - with mechanics for issuing the notes and pricing information but likely no additional covenants and events of default and no drawdown mechanics like the warehouse facility.

We will start copying the Province and Blakes on circulations of all documents going forward. Please let us know if the entire team on this email should be copied or only Blakes and the Provincial legal team.

Best Regards,

Nina

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: October-21-17 8:53 AM

To: Mansoori, Nina <nmansoori@torys.com>

Cc: 'LEE John -TREASURY' <john.s.lee@opg.com>; 'RYFA Ken -TREASURY' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com>; Emes, Aaron <aemes@torys.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: Re: Fair Hydro -- Change of Law Assumption Agreement

Nina,

We are working on a draft of the Change of Law Protection Agreement, but cannot complete the drafting until we have seen a draft of the Supplemental Indenture and the other instruments that are to be guaranteed.

We are also working on drafting some responses and comments to your comments from Wednesday on the approval process document, and will get back to you with those soon.

Best

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

777 Bay Street, 11th Floor

Toronto, ON, M5G 2C8

tobias.whitfield@ontario.ca

Phone: 416-325-1456

From: Mansoori, Nina

Sent: Friday, October 20, 2017 10:23 AM

To: Whitfield, Tobias P. (MOF)

Cc: 'LEE John -TREASURY'; 'RYFA Ken -TREASURY'; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'; Emes, Aaron; Mansoori, Nina

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

In the interest of time, we have drafted a procedures agreement incorporating the approval mechanics we circulated below. As noted in previous correspondence, we think the approval process should be the subject of a separate

agreement and not included in the Change of Law Protection Agreement you are drafting. Please note that the attached remains subject to the continuing review of OPG and Torys.

Can you please also let us know when we can expect to see a draft of the Change of Law Protection Agreement?

Many thanks,

Nina

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Mansoori, Nina

Sent: October-18-17 9:53 AM

To: 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>

Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby – further to discussions between OPG and the Province, please find attached comments on the draft proposal under the Change of Law Protection Agreement (blacklined to the draft circulated below). The attached reflects our comments from accounting, operational and financeability perspectives. In particular, the financeability of the program will turn on whether there is a clear and concise way for investors to determine that an incurrence of funding obligations will be covered under the Change of Law Protection Agreement and that, once confirmed, the confirmation is irrevocable. Accordingly, we have proposed in the attached that a simple confirmation from OPG to a third party binds the Province in respect of the incurrence of the applicable funding obligations provided that OPG has satisfied the requirements of the approval process (which we propose be the subject of a separate procedures agreement or memo). Please note that the attached remains subject to the review of the working group including the

dealers and the rating agencies.

Best Regards,

Nina

Nina Mansoori

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: October-13-17 4:47 PM

To: Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>

Cc: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca<mailto:Mark.Donaldson@ontario.ca>>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca<mailto:Scott.Nelms@ontario.ca>>; Devine, James (OFA) <James.Devine@ofina.on.ca<mailto:James.Devine@ofina.on.ca>>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca<mailto:Carlos.Yep@ofina.on.ca>>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Cengarle, John (MOF) <John.Cengarle@ontario.ca<mailto:John.Cengarle@ontario.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Katona, Keley (MOF) <Keley.Katona@ontario.ca<mailto:Keley.Katona@ontario.ca>>; He, Gavin (OFA) <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca<mailto:Anis.Hirani@ofina.on.ca>>; Kim, John (OFA) <John.Kim@ofina.on.ca<mailto:John.Kim@ofina.on.ca>>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Please find attached our comments on your response of October 6. We have moved the text of your email to the attached document and responded inline in square brackets for ease of review.

We recognize that we are running out of time, and that we should discuss and move this forward at the beginning of next week.

We also generally recognize that, although there are still some gaps in our respective approaches, we would find it helpful to have some more specific suggestions and comments on our Sept. 27 draft in order to help move this forward. This might include also the timing issues, with some indication of where, if OPG finds the timing does not work, some alternatives can be suggested for consideration.

Best

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca<mailto:tobias.whitfield@ontario.ca>

Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: October 6, 2017 5:58 PM

To: Whitfield, Tobias P. (MOF)

Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,

Nina

Accounting Issues:

E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence -that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt -the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts) -the negative pledge with respect to the exercise of certain options on the debt -the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have. Please also advise if the Province's accountants have reviewed the proposal.

Practical Issues:

* The procedural steps to bind the Province are lengthy and complicated. From our perspective, as drafted, OPG will likely have to seek Provincial approval on each debt issuance (which weakens the accounting as discussed above). The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself. Setting aside the mechanics of how we get there, the dealers want comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement. We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met. The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.

* In addition to the accounting concerns, the level of detail and frequency of reporting required present timing

and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.

Drafting Issues:

* Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.

* We'd like to understand the reason OPG's management fees have been excluded. We assume you do not intend for OPG's reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? Please advise why taxes are being excluded?

* There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.

* We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: September-27-17 4:21 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>

Cc: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca<mailto:Mark.Donaldson@ontario.ca>>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca<mailto:Scott.Nelms@ontario.ca>>; Devine, James (OFA) <James.Devine@ofina.on.ca<mailto:James.Devine@ofina.on.ca>>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca<mailto:Carlos.Yep@ofina.on.ca>>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Cengarle, John (MOF)

<John.Cengarle@ontario.ca<mailto:John.Cengarle@ontario.ca>>; Kwan, Ronald (OFA)
<Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Katona, Keley (MOF)
<Keley.Katona@ontario.ca<mailto:Keley.Katona@ontario.ca>>; He, Gavin (OFA)
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<STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Rima,

Further to our earlier conversations, please find attached our proposed process for confirmation of application of the Protection Agreement.

We would be happy to discuss further when you have had a chance to review.

Best

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca<mailto:tobias.whitfield@ontario.ca>

Phone: 416-325-1456

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: September 25, 2017 12:21 PM

To: 'STEPHEN.ASHBOURNE@blakes.com'; Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)

Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Feldman, Michael; Mansoori, Nina

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Good morning all, just following up on our email below. Please let us know when we should expect your feedback.

Many thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

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[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com_&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=UKMqIrEhOd5FohQQ_i9mGM0DWcS8WVSb-i_5BYugB90&m=LUBzr7krDi-parEHITBDWPUwyenLLaJJXZ4chFSPzFE&s=L2Q6u9gmTig_RhsiD5echtI-iY4ykmWhbqTG3J5Cq9o&e= >

From: Ramchandani, Rima

Sent: September-19-17 9:55 PM

To: 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>

Cc: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>

Subject: Fair Hydro -- Change of Law Assumption Agreement

Steve, Malle and Toby, further to our meeting the other day, set out below for your review is a proposal on the Provincial approval process under the Change of Law Assumption Agreement. Once we have your feedback on this, we will need to share it with Osler and the accountants and as John mentioned, we are under some time pressure to bring this to a resolution prior to the upcoming June 29 OPG Board meeting. We look forward to your comments, and feel free to reach out if you have any questions. -- Rima

Obligor Approval

The Change of Law Assumption Agreement will apply to all Specified Claims relating to Funding Obligations that are incurred by an Eligible Financing Entity in accordance with the Obligor's approval process. The definition of Specified Claims to be mutually agreed by all parties.

In order for a Financing Entity to become designated as an Eligible Financing Entity by the Obligor, prior to the initial issuance of Funding Obligations by such Financing Entity, the Obligor will be provided with copies of the following documents (collectively the "Program Documents") for review:

(i) the constating documents of such Financing Entity;

(ii) the management agreement between the Financing Entity and OPG;

(iii) the master transfer and servicing agreement between the Financing Entity and the IESO;

(iv) the master trust indenture governing the issuance of Funding Obligations by the Financing Entity;

(v) a form of supplemental indenture governing the issuance of bonds, issuable in series, by the Financing Entity;

(vi) a form of note purchase agreement or credit agreement governing the issuance of short term Funding Obligations by the Financing Entity;

(vii) a form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; and

(viii) such other documents as may be requested by the Obligor.

Once a Financing Entity is designated by the Obligor as an Eligible Financing Entity, it will not be necessary for the Obligor to approve the documentation related to specific issuances of Funding Obligations; however, OPG will be expected to notify the Obligor of any new material program documentation or any material amendments to existing program documentation before such new documentation or amendments become effective. The failure of OPG to provide any such notice will not invalidate the application of the Change of Law Assumption Agreement to any Specified Claims.

It will not be necessary for the Obligor to approve each new issuance of Funding Obligations provided that such Funding Obligations are issued in accordance with following:

(1) The Funding Obligations are issued in accordance with agreements that contain: (a) covenants of the Eligible Financing Entity that are no more onerous in any material respect and (b) events of default that are consistent in all material respects, respectively, with the covenants of the Eligible Financing Entity and events of default contained in the draft Program Documents.

(2) At least [30 days] prior to the initial issuance of Funding Obligations by an Eligible Financing Entity, OPG will provide the Obligor with a forecast of the principal amount and expected term of the Funding Obligations that OPG expects such Eligible Financing Entity to issue in accordance with the Financing Plan in the next two years (a "Two Year Forecast"). The execution of the Change of Law Assumption Agreement in respect of such Eligible Financing Entity shall constitute the Obligor's approval of the issuance of Funding Obligations by such Eligible Financing Entity in accordance with the Two Year Forecast.

(3) OPG shall provide the Obligor with an updated Two Year Forecast between 9 and 12 months prior to the expiry of each current Two Year Forecast.

(4) Unless the Obligor provides OPG with a written notice no later than 3 months prior to the date following receipt of the current Two Year Forecast that the Change of Law Assumption Agreement will be inapplicable with respect to new Funding Obligations incurred following the expiry of the current Two Year Forecast, the Obligor will be deemed to approve the application of the Change of Law Assumption Agreement to all Funding Obligations incurred up to the expiry of the new Two Year Forecast.

At the time of issuance of Funding Obligations by an Eligible Financing Entity, the Financing Entity will provide (i) any required certifications to the underwriters/agents that such Funding Obligations are covered by the Change of Law Assumption Agreement; and (ii) notice to the Obligor of the material terms of the Funding Obligations issued, together with electronic copies of the final executed Program Documents.

P. 416.865.7666

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SERIES 2017-1 SUPPLEMENTAL INDENTURE

between

[ISSUER] TRUST

by

● TRUST COMPANY OF CANADA
as Issuer Trustee

and

● TRUST COMPANY OF CANADA
as Indenture Trustee

and

●
as Administrative Agent

and

CERTAIN CP CONDUIT PURCHASERS,
CERTAIN NON-CONDUIT PURCHASERS
CERTAIN FUNDING AGENTS
and CERTAIN GROUP BANKS

Made as of ●, 2017

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FLOATING RATE VARIABLE FUNDING SENIOR NOTES, SERIES 2017-1

SUPPLEMENTAL INDENTURE made as of ●, 2017, between ● **Trust Company of Canada**, a trust company established under the laws of Canada (the "**Issuer Trustee**"), in its capacity as trustee of ●, a trust existing under the laws of the Province of Ontario (in such capacity, the "**Issuer**"), ● **Trust Company of Canada**, a trust company established under the laws of Canada (the "**Indenture Trustee**"), ●, in its capacity as the administrative agent for the Purchaser Groups (the "**Administrative Agent**"), the **Non-Conduit Purchasers** from time to time party hereto, the **CP Conduit Purchasers** from time to time party hereto, and the **Funding Agents** for the CP Conduit Purchaser Groups from time to time party hereto.

WHEREAS pursuant to the Trust Indenture, provision was made for the issuance of Notes from time to time;

AND WHEREAS pursuant to the Trust Indenture, the Notes may be issued in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of the Series 2017-1 Senior Notes;

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) The provisions of Section 1.1 of the Trust Indenture are applicable to this Supplemental Indenture. All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article 1 of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2017-1 Senior Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental Indenture are

applicable only in respect of the Series 2017-1 Senior Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2017-1 Senior Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2017-1 Senior Notes in accordance with Section 1.2 above.

ARTICLE 2
PRINCIPAL TERMS

2.1 Creation of Series 2017-1 Senior Notes

There is hereby created a Series of Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**Floating Rate Variable Funding Senior Notes, Series 2017-1**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2017-1 Senior Notes:

(a) will be designated as set out in Section 2.1;

(b) will be Senior Notes;

(c) will have a Stated Principal Amount equal to the Series 2017-1 Maximum Principal Amount;

(d) will not be issued in Classes or Tranches;

(e) will be denominated in Canadian dollars;

(f) will not be listed on any securities exchange;

(g) will have an Initial Dollar Principal Amount equal to the Series 2017-1 Initial Principal Amount;

(h) will be issued as definitive notes and will not be in the form of a Global Note;

(i) will be issued as Registered Notes and will be without coupons;

(j) will be Senior Notes and will not be subordinated to any other Series, Class or Tranche of Notes;

(k) will be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Issuer Trustee;

(l) will have a Principal Payment Due Date that is the Series 2017-1 Principal Payment Due Date;

(m) will have a Principal Payment Default Date that is the Series 2017-1 Principal Payment Default Date; and

(n) will have no minimum issue amount.

ARTICLE 3
NOTE PURCHASE FACILITY

3.1 Purchase of Notes by the Purchasers

(a) ***Initial Purchases***. Subject to the terms and conditions of this Supplemental Indenture, including delivery of notice in accordance with Section 3.3, (i) each Non-Conduit Purchaser shall purchase, and each CP Conduit Purchaser may, in its sole discretion, purchase a Series 2017-1 Senior Note in an amount equal to all or a portion of its Commitment Percentage of the Series 2017-1 Initial Principal Amount on any Business Day during the period from the date hereof to and including **[December 15, 2017]**, and if any such CP Conduit Purchaser shall have notified the Administrative Agent and the Funding Agent with respect to such CP Conduit Purchaser that it has elected not to fund a Series 2017-1 Senior Note in an amount equal to its Commitment Percentage of the Series 2017-1 Initial Principal Amount on the Series 2017-1 Closing Date, the Group Bank with respect to such CP Conduit Purchaser shall fund on the Series 2017-1 Closing Date that portion of such Series 2017-1 Senior Note not to be funded by such CP Conduit Purchaser; and (ii) thereafter, (A) each Non-Conduit Purchaser shall maintain its Series 2017-1 Senior Note, subject to increase or decrease during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date, in accordance with the provisions of this Supplemental Indenture, (B) if a CP Conduit Purchaser shall have purchased a Series 2017-1 Senior Note on the Series 2017-1 Closing Date, such CP Conduit Purchaser may, in its sole discretion, maintain its Series 2017-1 Senior Note, subject to increase or decrease during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date, in accordance with the provisions of this Supplemental Indenture, and (C) the Group Bank shall maintain its Series 2017-1 Senior Note with respect to its Related Purchaser Group, subject to increase or decrease during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date, in accordance with the provisions of this Supplemental Indenture. Payments by the Non-Conduit Purchasers, the CP Conduit Purchasers and/or the Group Bank with respect to the CP Conduit Purchasers shall be made in immediately available funds on the Series 2017-1 Closing Date in accordance with Section 3.3(d).

(b) ***Maximum Purchaser Group Principal Amounts***. Notwithstanding anything to the contrary contained in this Supplemental Indenture, at no time shall a Purchaser Group be required to make the initial purchase of a Series 2017-1 Senior Note or increase its Purchaser Group Principal Amount if the sum of (x) Purchaser Group Principal Amount with respect to such Purchaser Group, after giving effect to such purchase or increase, and (y) the sum of any unfunded Delayed Amounts with respect to such Purchaser Group, would exceed the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group at such time.

3.2 Delivery

(a) On the Series 2017-1 Closing Date (or on any later date that any Purchaser Group becomes a party to this Supplemental Indenture), Series 2017-1 Senior Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture (i) in the case of a CP Conduit Purchaser Group, in the name of the Funding Agent with respect to such CP Conduit Purchaser Group (or as otherwise requested by such CP Conduit Purchaser Group and agreed to by the Issuer) in an amount equal to the Maximum Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group and delivered to such Funding Agent; or (ii) in the case of a Non-Conduit Purchaser Group, in the name of the Related Non-Conduit Purchaser in an amount equal to the Maximum Purchaser Group Principal Amount with respect to such Related Non-Conduit Purchaser Group and delivered to such Related Non-Conduit Purchaser.

(b) The Administrative Agent shall maintain a record of the actual Purchaser Group Principal Amount outstanding with respect to each Purchaser Group and the actual Series 2017-1 Principal Amount outstanding on any date of determination, which, absent manifest error, shall constitute prima facie evidence of the outstanding Purchaser Group Principal Amounts and outstanding Series 2017-1 Principal Amount from time to time. Upon a written request from the Indenture Trustee, the Administrative Agent shall provide in writing the identity of the Purchaser Groups, the related Funding Agents for each CP Conduit Purchaser Group, the Purchaser Group Principal Amount for each Purchaser Group and the Commitment Percentage with respect to such Purchaser Group to the Indenture Trustee.

3.3 Procedure for Initial Issuance and for Increasing the Series 2017-1 Principal Amount

(a) (i) On any Business Day prior to [**December 15, 2017**], in the case of a Non-Conduit Purchaser Group, the Related Non-Conduit Purchaser hereby agrees, or in the case of a CP Conduit Purchaser Group, the CP Conduit Purchaser in such CP Conduit Purchaser Group may agree, in its sole discretion, and the Group Bank with respect to such CP Conduit Purchaser hereby agrees, that it will purchase a Series 2017-1 Senior Note for an initial purchase price equal to the Commitment Percentage with respect to such Purchaser Group of the Series 2017-1 Initial Principal Amount upon the request of the Issuer (the date on which the initial purchase occurs being referred to as the "**Series 2017-1 Closing Date**"); provided, however, that the Issuer shall have given the Administrative Agent (with a copy to the Indenture Trustee) irrevocable written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Schedule C no later than **[3:00 p.m.]** (Toronto time) on the third Business Day prior to the Series 2017-1 Closing Date. The written notice of the initial purchase of the Series 2017-1 Senior Notes shall state (x) the Series 2017-1 Closing Date, and (y) the initial total purchase price to be paid for the Series 2017-1 Senior Notes (the "**Series 2017-1 Initial Principal Amount**"); and (ii) subject to Section 3.3(e), on any Business Day during the period from the initial purchase of the Series 2017-1 Senior Notes hereunder to and including the Commitment Expiry Date, in the case of a Non-Conduit Purchaser Group, the Related Non-Conduit Purchaser hereby agrees, or in the case of a CP Conduit Purchaser Group, the CP Conduit Purchaser in such CP Conduit Purchaser Group may agree, in its sole discretion, and the Group Bank with respect to such CP Conduit Purchaser hereby agrees that the Purchaser Group Principal Amount with respect to such Purchaser Group may be increased by an amount equal to the Commitment Percentage with respect to such Purchaser Group of the Increase Amount (an

"**Increase**"), upon the request of the Issuer (each date on which an increase in the Series 2017-1 Principal Amount occurs hereunder being herein referred to as the "**Increase Date**" applicable to such Increase); provided, however, that the Issuer shall have given the Administrative Agent (with a copy to the Indenture Trustee) irrevocable (other than as specified in Section 3.3(e)) written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Schedule C (an "**Increase Notice**") no later than **[3:00 p.m.]** (Toronto time) on (A) with respect to a Deferrable Increase Notice, the third Business Day prior to such Increase Date, or (B) with respect to a Non-Deferrable Increase Notice, the second Business Day prior to such Increase Date. Each Increase Notice shall state (x) the Increase Date, (y) the proposed amount of the increase in the Series 2017-1 Principal Amount (an "**Increase Amount**"), (z) whether a Delayed Funding Notice may be delivered in connection with such Increase pursuant to Section 3.3(e) and whether the Increase is to fund a Transfer (a "**Transfer Increase**") or is in respect of a Refinancing (a "**Refinancing Increase**"). The Commitment Percentage with respect to any Purchaser Group of the Increase Amount set forth in any Non-Deferrable Increase Notice shall not exceed such Purchaser Group's Non-Deferrable Draw Amount as of the related Increase Date.

(b) If a CP Conduit Purchaser elects not to fund the full amount of its Commitment Percentage of a requested Increase, such CP Conduit Purchaser shall notify the Administrative Agent and the Funding Agent with respect to such CP Conduit Purchaser, and the Group Bank with respect to such CP Conduit Purchaser shall fund the portion of the Commitment Percentage with respect to such Related Purchaser Group of such Increase not funded by such CP Conduit Purchaser.

(c) No Purchaser Group shall be required to increase its Purchaser Group Principal Amount on any Increase Date hereunder unless:

(i) such Purchaser Group's Commitment Percentage of such Increase Amount is equal to (A) $**[1,000,000]** or more, or (B) if less, the excess of the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group over the Purchaser Group Principal Amount with respect to such Purchaser Group; and

(ii) after giving effect to such Increase Amount, the sum of the (x) the Purchaser Group Principal Amount, and (y) any unfunded Delayed Amounts with respect to such Purchaser Group would not exceed the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group;

(d) Upon receipt of any notice required by Section 3.3(a) or permitted by Section 3.3(e) from the Issuer, the Administrative Agent shall forward (by telecopy or electronic messaging system) a copy of such notice to each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group (or, with respect to any notice pursuant to Section 3.3(e) requiring a Delayed Funding Purchaser Group to decrease its Delayed Amount, the applicable Non-Conduit Purchaser or Funding Agent), no later than **[5:00 p.m.]** (Toronto time) on the day received. After receipt by any Funding Agent with respect to a CP Conduit Purchaser Group of such notice from the Administrative Agent, such Funding Agent shall, so long as the conditions set forth in Sections 3.3(a) and (c) and Article 4 are satisfied, promptly provide telephonic notice to the related CP Conduit Purchaser and the related Group Bank, of the Increase Date and of such CP Conduit Purchaser Group's Commitment Percentage of the Series 2017-1 Closing Date or Increase Amount, as applicable. Subject to Section 3.3(e), if such CP Conduit Purchaser

elects to fund all or a portion of its Commitment Percentage of the Series 2017-1 Initial Principal Amount or the Increase Amount, as applicable, such CP Conduit Purchaser shall pay in immediately available funds its Commitment Percentage (or any portion thereof) of the amount of the Series 2017-1 Initial Principal Amount or Increase Amount, as applicable, on the Series 2017-1 Closing Date or the related Increase Date, as applicable, to the Funding Agent with respect to such CP Conduit Purchaser Group for remittance to the Indenture Trustee for application in accordance with Section 3.3(h). Subject to Section 3.3(e), if such CP Conduit Purchaser does not fund the full amount of the Commitment Percentage of such CP Conduit Purchaser Group of the Series 2017-1 Initial Principal Amount or an Increase Amount, as applicable, and the related Group Bank is required to fund the portion thereof not funded by the CP Conduit Purchaser, such Group Bank shall pay in immediately available funds such portion on the Series 2017-1 Closing Date or the related Increase Date, as applicable, to the Funding Agent with respect to such CP Conduit Purchaser Group. Each Funding Agent shall remit the amounts received by it from its CP Conduit Purchaser or the related Group Bank pursuant to this Section 3.3(d) to the Indenture Trustee for application in accordance with Section 3.3(h). Subject to Section 3.3(e), so long as the conditions set forth in Sections 3.3(a) and (c) and Article 4 are satisfied, each Non-Conduit Purchaser shall pay in immediately available funds the Commitment Percentage of such Non-Conduit Purchaser of the amount of the Series 2017-1 Initial Principal Amount or Increase Amount, as applicable, on the Series 2017-1 Closing Date or the Increase Date, as applicable, to the Indenture Trustee for application in accordance with Section 3.3(h).

(e) Notwithstanding any of the foregoing, any Group Bank or Non-Conduit Purchaser who shall have previously notified the Issuer in writing that it or any related Program Support Provider may, in the absence of the Group Bank or Non-Conduit Purchaser having the ability to deliver Delayed Funding Notices hereunder, incur charges under, or in anticipation of, Basel III (which may include external charges incurred by the Group Bank, Non-Conduit Purchaser or Program Support Provider or internal charges incurred by any of their businesses) in respect of its Commitment hereunder or any agreement to support such Commitment, or in respect of its interest in the Series 2017-1 Senior Notes, based on its "liquidity coverage ratio" calculated under Basel III, may, upon receipt of any Deferrable Increase Notice pursuant to Section 3.3(a), notify the Issuer in writing (a "**Delayed Funding Notice**") on or prior to **[12:00 noon]** (Toronto time) on the second Business Day preceding the related Increase Date, of its intent to fund an amount up to its Commitment Percentage of the related Increase Amount (such amount, subject to any adjustment described below, the "**Delayed Amount**") on a Business Day that is on or before the thirty-third (33rd) day following the Increase Date specified in such Deferrable Increase Notice (the "**Delayed Funding Date**") rather than on such Increase Date. If any Group Bank or Non-Conduit Purchaser provides a Delayed Funding Notice to the Issuer following the Issuer's delivery of an Increase Notice pursuant to Section 3.3(a), the Issuer may with written notice to the Administrative Agent delivered prior to 3:00 pm on the second Business Day preceding such Increase Date, (x) decrease the Increase Amount with respect to such Deferrable Increase Notice (or revoke such Deferrable Increase Notice by decreasing the Increase Amount to zero), and/or (y) require any Group Bank or Non-Conduit Purchaser who has provided a Delayed Funding Notice to reduce the Delayed Amount with respect to such Increase by an amount no greater than the Non-Deferrable Draw Amount with respect to such Purchaser Group as of the related Increase Date. In the event that the Increase Amount with respect to such Deferrable Increase Notice is reduced, but not to zero, then any Delayed Amount with respect to any Purchaser Group shall be reduced on a pro rata basis unless otherwise specified by the Issuer

pursuant to clause (y) above. No Purchaser Group that has provided a Delayed Funding Notice in respect of an Increase (each a "**Delayed Funding Purchaser Group**") shall be considered to be in default of its obligation to fund its Delayed Amount pursuant to this Section 3.3 unless and until it has failed to fund the Delayed Amount (and/or the Delayed Funding Reimbursement Amount with respect to such Delayed Amount) on or before the Delayed Funding Date.

(f) If (i) one or more Delayed Funding Purchaser Groups provides a Delayed Funding Notice to the Issuer in respect of any Increase Date; and (ii) the Issuer shall not have decreased the related Increase Amount to zero or required each such Delayed Funding Purchaser Group to reduce the Delayed Amount with respect to such Increase to zero, in each case, pursuant to Section 3.3(e), the Administrative Agent shall, by no later than **[12:00 noon]** (Toronto time) on the Business Day preceding such Increase Date, direct each Purchaser Group that is not a Delayed Funding Purchaser Group with respect to such Increase Date (each a "**Non-Delayed Funding Purchaser Group**") to fund an additional portion of such Increase Amount on such Increase Date equal to such Non-Delayed Funding Purchaser Group's proportionate share (based upon the Maximum Purchaser Group Principal Amount with respect to such Non-Delayed Funding Purchaser Group relative to the sum of the Maximum Purchaser Group Principal Amounts with respect to all Non-Delayed Funding Purchaser Groups) of the aggregate Delayed Amounts with respect to such Increase Date; provided that no Non-Delayed Funding Purchaser Group shall be required to fund any portion of the aggregate Delayed Amounts that would cause its Purchaser Group Principal Amount to exceed its Maximum Purchaser Group Principal Amount. Subject to Section 3.3(a), in the case of a Non-Delayed Funding Purchaser Group that is a Non-Conduit Purchaser, such Non-Conduit Purchaser hereby agrees, or, in the case of a Non-Delayed Funding Purchaser Group that is a CP Conduit Purchaser Group, the CP Conduit in such CP Conduit Purchaser Group may agree, in its sole discretion, and the Group Bank in such CP Conduit Purchaser Group hereby agrees, to fund such portion of the Increase Amount on such Increase Date.

(g) After the Non-Delayed Funding Purchaser Groups fund a Delayed Amount on any Increase Date in accordance with Section 3.3(f), the Delayed Funding Purchaser Group in respect of such Delayed Amount will be obligated to fund the Delayed Funding Reimbursement Amount with respect to such Delayed Amount on or before its Delayed Funding Date, irrespective of whether the Scheduled Commitment Expiry Date shall have occurred on or prior to such Delayed Funding Date or the Issuer would be able to satisfy the conditions set forth in Section 3.3(c) to an Increase in an amount equal to such Delayed Funding Reimbursement Amount on such Delayed Funding Date. Such Delayed Funding Purchaser Group shall fund such Delayed Funding Reimbursement Amount on such Delayed Funding Date by paying such amount to the Administrative Agent in immediately available funds, and the Administrative Agent shall distribute such funds to each such Non-Delayed Funding Purchaser Group, *pro rata* based on the relative amount of such Delayed Amount funded by such Non-Delayed Funding Purchaser Group on such Increase Date pursuant to Section 3.3(f).

(h) The Indenture Trustee shall apply amounts paid to it pursuant to Section 3.3(d) in the following order of priority:

(i) As to an amount equal to the Series 2017-1 Cash Reserve Required Amount, by deposit to the Series 2017-1 Cash Reserve Account; and

(ii) as to the balance, in respect of the proceeds of the initial purchase of the Series 2017-1 Notes or a Transfer Increase, by application to payment of the purchase price payable by the Issuer to the IESO under the Master Transfer and Servicing Agreement in respect of the related Transfer and, in respect of the proceeds of a Refinancing Increase, by deposit to the Refinancing Account.

3.4 Procedure for Decreasing the Series 2017-1 Principal Amount; Optional Termination

(a) In the case of a Non-Conduit Purchaser Group, the Related Non-Conduit Purchaser hereby agrees, and in the case of a CP Conduit Purchaser Group, each of the CP Conduit Purchasers and the Group Bank in such CP Conduit Purchaser Group hereby agrees, that the Purchaser Group Principal Amount with respect to such Purchaser Group may be decreased by an amount equal to the Commitment Percentage with respect to such Purchaser Group of a Decrease Amount (a "**Decrease**"), upon the request of the Issuer. Each date on which a Decrease in the Series 2017-1 Principal Amount occurs hereunder being herein referred to as the"**Decrease Date**" applicable to such Decrease; provided, however, that the Issuer shall have given the Administrative Agent (with a copy to the Indenture Trustee) irrevocable written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Schedule D (a "**Decrease Notice**") no later than **[3:00 p.m.]** (Toronto time) on the second Business Day prior to such Decrease Date. Each Decrease Notice shall state (x) the Decrease Date, (y) the proposed amount of the decrease in the Series 2017-1 Principal Amount (a "**Decrease Amount**"), and (z) whether the Decrease is being funded with the proceeds of a Refinancing (a "**Refinancing Decrease**") or pursuant to the application of collected Clean Energy Adjustments (a "**CEA Decrease**").

(b) Upon each Decrease, the Administrative Agent shall indicate in its records such Decrease and the Purchaser Group Principal Amount outstanding with respect to each Purchaser Group after giving effect to such Decrease. Upon receipt of any notice required by this Section 3.4(a) from the Issuer, the Administrative Agent shall forward (by telecopy or electronic messaging system) a copy of such notice to each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group, no later than **[1:00 p.m.]** (Toronto time) on the Business Day received.

(c) On any Business Day, the Issuer shall have the right to deliver an irrevocable written notice (an "**Optional Termination Notice**") to the Administrative Agent in which the Issuer declares that the Commitments shall terminate on the date (the "**Optional Termination Date**") set forth in such notice (which date, in any event, shall be a Payment Date not less than twenty Business Days from the date on which such notice is delivered). Upon receipt of any Optional Termination Notice from the Issuer, the Administrative Agent shall promptly notify each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group thereof.

3.5 Increases and Reductions of the Commitments

(a) The Issuer may from time to time request that any Purchaser Group agree to increase its Maximum Purchaser Group Principal Amount. An increase in such amount shall be effective hereunder if such Purchaser Group shall have agreed in its sole discretion to such increase.

(b) On any Business Day, the Issuer may, upon two (2) Business Days' prior written notice to the Administrative Agent (effective upon receipt) (with copies to the Indenture Trustee) reduce the Series 2017-1 Maximum Principal Amount in an amount equal to $**[10,000,000]** or a whole multiple of $**[1,000,000]** in excess thereof; provided that no such termination or reduction shall be permitted if, after giving effect thereto and to any reduction in the Series 2017-1 Principal Amount on such date, the Purchaser Group Principal Amount with respect to any Purchaser Group would exceed the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group then in effect. Any reduction in the Series 2017-1 Maximum Principal Amount shall be made on a pro rata basis to the Maximum Purchaser Group Principal Amounts with respect to the Purchaser Groups, based on the Maximum Purchaser Group Principal Amount with respect to each Purchaser Group. Once reduced, the Maximum Purchaser Group Principal Amounts may not be subsequently reinstated without each such Purchaser Group's prior written consent, which consent shall be granted or not in the sole discretion of such Purchaser Group.

(c) The Issuer may extend the Scheduled Commitment Expiry Date only with the prior written consent of the Administrative Agent, each Non-Conduit Purchaser and each Funding Agent.

3.6 Interest; Fees and Other Amounts

(a) Interest shall be payable on the Series 2017-1 Senior Notes on each Payment Date.

(b) The Issuer shall pay to each CP Conduit Purchaser Group and each Non-Conduit Purchaser, on each Payment Date, a commitment fee with respect to the preceding Billing Period (the "**Commitment Fee**") during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date in an amount equal to the sum of the following amounts calculated for each day during such Billing Period: (x) the Commitment Fee Rate, multiplied by (y) the amount by which Maximum Purchaser Group Principal Amount with respect to such Purchaser Group on such day exceeds the Purchaser Group Principal Amount with respect to such Purchaser Group on such day, and divided by (z) 365. The Commitment Fees shall be payable monthly in arrears on each Payment Date.

(c) The Funding Agent with respect to each CP Conduit Purchaser Group and each Non-Conduit Purchaser shall provide written notice to the Issuer no later than two Business Days prior to each Payment Date, setting forth the Monthly Interest, Fees and Other Amounts with respect to its Related Purchaser Group with respect to the preceding Billing Period.

(d) On each Payment Date, the Monthly Interest, Fees and Other Amounts shall be the amount payable in respect of the Series 2017-1 Notes pursuant to Section 7.04(e)(ii)(A) of the Trust Indenture or Section 8.13(b)(A) of the Trust Indenture, as applicable. On each Payment Date the Indenture Trustee shall, subject to availability of funds, pay to each CP Conduit Purchaser Group and each Non-Conduit Purchaser its Monthly Interest, Fees and Other Amounts with respect to the preceding Billing Period.

(e) If on any Payment Date when distributions of collections are being made under Section 7.04(e)(ii)(A) of the Trust Indenture the amount available to pay Monthly Interest, Fees and Other Amounts under such section is less the Monthly Interest, Fees and Other Amounts, an amount equal to the lesser of (x) such deficiency, and (y) the balance on deposit in the Series

2017-1 Cash Reserve Account shall be withdrawn from the Series 2017-1 Cash Reserve Account and applied to the payment of Monthly Interest, Fees and Other Amounts pursuant to Section 3.6(d).

(f) If the amounts deposited to the Series 2017-1 Distribution Account pursuant to Section 3.6(d) and amounts available pursuant to Section 3.6(e) are insufficient to pay all such amounts in full, the amount available shall be applied in the following order of priority:

(i) Firstly, in respect of Monthly Interest and if insufficient funds are available to pay Monthly Interest in full, to all Purchaser Groups, *pro rata* based on the amount of Monthly Interest owing to each Purchaser Group;

(ii) Secondly, in respect of Commitment Fees and if insufficient funds are available to pay Commitment Fees in full to all Purchaser Groups, *pro rata* based on the amount of Commitment Fees owing to each Purchaser Group; and

(iii) Thirdly, in respect of all other amounts owing to the Purchaser Groups and if insufficient funds are available to pay all other amounts owing in full to all Purchaser Groups, *pro rata* based on the amount of the other amounts owing to each Purchaser Group.

3.7 Repayment of Principal

(a) On each Payment Date, the Payment Date Waterfall Principal Amount shall be the principal amount payable in respect of the Series 2017-1 Senior Notes pursuant to Section 7.04(e)(iii)(A) of the Trust Indenture or Section 8.13(c)(A) of the Trust Indenture, as applicable. On each Payment Date the Indenture Trustee shall, subject to availability of funds, pay to each Non-Conduit Purchaser and each Funding Agent with respect to its Related Purchaser Group, such Purchaser Group's Pro Rata Share of the funds allocated to the Series 2017-1 Senior Notes pursuant to Section 7.04(e)(iii)(A) of the Trust Indenture or Section 8.13(c)(A) of the Trust Indenture, as applicable in repayment of the principal amount of the Series 2017-1 Notes.

(b) If on any Payment Date the amount available to the Purchaser Groups pursuant to Section 7.04(e)(iii)(A) of the Trust Indenture or Section 8.13(c)(A) of the Trust Indenture, as applicable, is less than the Payment Date Waterfall Principal Amount, an amount equal to the lesser of (x) such deficiency, and (y) the balance on deposit in the Series 2017-1 Cash Reserve Account shall be withdrawn from the Series 2017-1 Cash Reserve Account and applied to the repayment of principal amount of the Series 2017-1 Notes.

(c) On each Decrease Date in respect of a Refinancing Decrease Date, the Issuer shall pay to each Non-Conduit Purchaser and each Funding Agent with respect to its Related Purchaser Group, such Purchaser Group's Pro Rata Share of the Decrease Amount.

3.8 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee, the Administrative Agent, each Funding Agent, each CP Conduit Purchaser, the Group Bank, each Non-Conduit Purchaser and each of their respective officers, directors, agents and employees (each, an "**Issuer indemnified person**") from and against any loss, liability, expense, damage or injury suffered or

sustained by such Issuer indemnified person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer indemnified person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 3.8 shall be made solely from funds available pursuant to Section **[7.04]** of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

3.9 Funding Agents

(a) The Funding Agent with respect to each CP Conduit Purchaser Group is hereby authorized to determine the Monthly Interest and Fees with respect to each Billing Period and such CP Conduit Purchaser Group. Any such determination by a Funding Agent, absent manifest error, shall constitute prima facie evidence of the accuracy of the calculation. Furthermore, the Funding Agent with respect to each CP Conduit Purchaser Group will maintain records sufficient to identify the percentage interest of the related CP Conduit Purchaser and the Group Bank with respect to such CP Conduit Purchaser Group holding an interest in the Series 2017-1 Senior Note registered in the name of such Funding Agent and any amounts owing thereunder.

(b) Upon receipt of funds on each Payment Date and the date of any Decrease, each Funding Agent shall pay such funds to the related CP Conduit Purchaser and/or the related Group Bank owed such funds. If a Funding Agent shall have paid to any CP Conduit Purchaser or Group Bank any funds that (i) must be returned for any reason (including bankruptcy); or (ii) exceeds that which such CP Conduit Purchaser or Group Bank was entitled to receive, such amount shall be promptly repaid to such Funding Agent by such CP Conduit Purchaser or Group Bank.

3.10 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (collectively, "**Taxes**"), excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other taxes based on or measured by the net income of the Purchaser (but specifically excluding any taxes required to be withheld under Section 1446 of the *Internal Revenue Code* of 1986 (as amended, the "**Code**")) as a result of a present or former connection between the recipient and the jurisdiction of the governmental authority imposing such tax (other

than any such connection arising solely from the recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); and (ii) any Taxes imposed under FATCA (as defined below) (including in the case of (i) and (ii), any interest, penalties and additions to tax) (all such excluded taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a recipient hereunder, the amounts so payable to the recipient shall be increased, and the recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Where the amount payable by the Issuer is increased in accordance with the previous sentence, the Monthly Interest and Fees shall be increased by the amount of such increase. Whenever any Taxes are payable on or with respect to amounts distributed to a recipient, as promptly as possible thereafter the Issuer shall send to such recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to U.S. federal withholding Tax imposed by provisions of Chapter 4 of the Code ("**FATCA**") if the recipient of such payment were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with their obligations under FATCA and to determine that such recipient has complied with it's obligations under FATCA or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a recipient expires or becomes obsolete or inaccurate in any respect, the recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 3.10(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

3.11 Increased Costs

(a) (i) If any Regulatory Change (x) subjects any Non-Conduit Purchaser, CP Conduit Purchaser, Group Bank Purchaser or any Program Support Party (an "**Affected Person**") to any charge or withholding on or with respect to any Support Facility or this Supplemental Indenture or an Affected Person's obligations under a Support Facility or this Supplemental Indenture, or changes the basis of taxation of payments to any Affected Person of any amounts payable under any Support Facility or this Supplemental Indenture Agreement (except for changes in the rate of tax on the overall net income of an Affected Person or Excluded Taxes) or (y) imposes, modifies or deems applicable any reserve, assessment, fee, tax, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or liabilities of an Affected

Person, or credit extended by an Affected Person pursuant to a Support Facility or this Supplemental Indenture or (z) imposes any other condition the result of which is to increase the cost to an Affected Person of performing its obligations under a Support Facility or this Supplemental Indenture, or to reduce the rate of return on an Affected Person's capital or assets as a consequence of its obligations under a Support Facility or this Supplemental Indenture, or to reduce the amount of any sum received or receivable by an Affected Person under a Support Facility or this Supplemental Indenture, or to require any payment calculated by reference to the amount of interests or loans held or interest received by it, then, upon written request by such Affected Party (through the Funding Agent for its Purchaser Group if the Affected Party is a Program Support Provider, CP Conduit Purchaser or Group Bank) of a written request therefore to the Issuer, such Affected Party (through the Funding Agent for its Purchaser Group if the Affected Party is a Program Support Provider, CP Conduit Purchaser or Group Bank) shall be entitled to be paid, such amounts charged to such Affected Party or such amounts to otherwise compensate such Affected for such increased cost or such reduction, no later than the Payment Date following receipt by the Issuer of such request for compensation under this Section 3.11(a)(i), if such request is received by the Issuer no later than five (5) Business Days prior to the end of the Billing Period related to such Payment Date, and otherwise on the following Payment Date.

(ii) The Issuer acknowledges that any Affected Party may implement, as an internal institutional matter, measures in anticipation of a final or proposed Regulatory Change (including, without limitation, the imposition of internal charges on such Affected Party's interest or obligations under any Support Agreement or this Supplemental Indenture) and may commence recognizing the incurrence of charges by and seeking compensation under Section 3.11(a)(i) in connection with such measures, in advance of the effective date of such final or proposed Regulatory Change, and the Issuer agrees that such charges or compensation shall be payable, to the related Funding Agent, for the benefit of Affected Party, following demand therefor without regard to whether such proposed Regulatory Change has been adopted or whether such effective date has occurred; provided, that (I) the Affected Party shall provide sixty (60) days prior written notice to the Issuer of its intent to impose or incur any such charges or compensation, (II) an Affected Party shall not be compensated for any such amount pursuant to this subsection 3.11(a)(ii) relating to any period ending, and of which such Affected Party has had knowledge, more than ninety (90) days prior to the date that such Affected Party provided the Issuer with the written notice contemplated by the preceding clause (I) of this subsection 3.11(a)(ii), (III) if, after the payment by the Trust of any charges or compensation pursuant to this subsection 3.11(a)(ii), either (A) the Issuer requests in writing that the applicable Affected Party recompute any such charge or compensation in light of differences between a proposed Regulatory Change and the final effective version thereof or (B) the applicable Affected Party determines that the amount of the charge imposed on and required to be compensated by the Issuer exceeds the amount necessary to compensate it for the applicable Regulatory Change as contemplated by subsection 3.11(a)(i), then (x) the amount of such charge or compensation shall, from and after such determination, be reduced by the amount of such excess and (y) such Affected Party shall, within thirty (30) days of such determination, either repay the amount of such excess or credit the amount of such excess against future charges under this subsection 3.11(a)(ii). The Issuer further acknowledges that any charge or compensation demanded hereunder may take the form of a monthly charge to be assessed by such Affected Party.

(b) Each Affected Party claiming increased amounts described in subsection 3.11(a) of this Supplemental Indenture will furnish to the Issuer (together with its request for compensation) a certificate prepared in good faith setting forth the basis and the calculation of the amount (in reasonable detail) of each request by such Affected Party for any such increased amounts referred to in subsection 3.11(a) hereof. Any such certificate shall be conclusive absent manifest error. Failure on the part of any Affected Party to demand compensation for any amount pursuant to subsection 3.11(a) hereof with respect to any period shall not constitute a waiver of such Affected Party's right to demand compensation with respect to such period.

ARTICLE 4
CONDITIONS PRECEDENT

4.1 Conditions Precedent to Initial Purchase of Series 2017-1 Senior Notes

On or prior to the initial purchase of Series 2017-1 Senior Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The Administrative Agent and each of the Funding Agents shall have received:

(i) executed copies of the Fee Letter, this Supplemental Indenture, the Manager Indemnity and copies of each of the other Program Agreements certified by an Authorized Officer of the Manager;

(ii) evidence that each of the Issuer Trustee, the IESO and the Manager is validly existing pursuant to the laws of the jurisdiction of their respective establishment or incorporation;

(iii) a copy of the incorporating documents and all amendments thereto and applicable by-laws of each of the Issuer Trustee, the IESO and the Manager certified by an Authorized Officer of the applicable entity;

(iv) a copy of the Declaration of Trust certified by an Authorized Officer of the Manager;

(v) copies of resolutions of the board of directors of the IESO and the Manager approving and authorizing the execution, delivery and performance of each Program Agreement they are party to, in each case certified by an Authorized Officer of the applicable entity;

(vi) incumbency certificates for each of the Issuer Trustee, the Manager and the IESO executing this Supplemental Indenture and any other Program Agreements and the other documents to be delivered by either the Issuer Trustee, the Manager or the IESO thereunder, in each case showing their names, offices and specimen signatures on which certificates the Administrative Agent and the Purchaser Groups shall be entitled to conclusively rely until such time as the Administrative

Agent and the Funding Agents receive a replacement certificate meeting the requirements of this Section 4.1(b)(vi);

(vii) the following Opinions of Counsel:

(A) the opinion of external counsel to the Manager as to the non-consolidation of the Issuer with the Manager in the event of the insolvency of the Manager in form and substance satisfactory to the Administrative Agent and the Funding Agents;

(B) the opinion of external counsel to the IESO as to the Investment Asset acquired by the Issuer not being subject to the claims of creditors of the IESO in form and substance satisfactory to the Administrative Agent and the Funding Agents;

(C) favourable opinions of external counsel to the Manager covering general corporate matters, the due execution and delivery of, and the enforceability of, each of the Program Agreements to which the Manager, the Issuer and the Issuer Trustee are party which opinion, as to certain matters, may rely on opinion of internal counsel to the Manager and the Issuer Trustee; and

(D) a favourable opinion of external counsel to the Province with respect to the due authorization, execution, delivery and enforceability of the Provincial Protection and Assurances Agreement in form and substance satisfactory to the Administration Agent and the Funding Agents;

(viii) a certificate of an Authorized Officer of the Manager confirming that the representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 6.1 of this Supplemental Indenture are true and correct in all material respects, that the Issuer is in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party and that no Termination Event has occurred; and

(ix) such additional documents, instruments, certificates or letters as the Administrative Agent or any Funding Agent may reasonably request.

(c) The Series 2017-1 Cash Reserve Account shall have been established.

(d) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 6.1 of this Supplemental Indenture shall be true and correct in all material respects, the Issuer shall be compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party and no Termination Event shall have occurred.

(e) The Series 2017-1 Senior Notes shall have been duly issued in accordance with the Trust Indenture and each Funding Agent and Non-Conduit Purchaser shall have received its Series 2017-1 Senior Note registered in its name or a nominee in a face amount equal to its Maximum Purchaser Group Principal Amount.

(f) An amount equal to the Series 2017-1 Cash Reserve Required Amount shall have been deposited to the Series 2017-1 Cash Reserve Account.

(g) After giving effect to the purchase, the covenant of the Issuer in Section 7.1(d) will be satisfied.

(h) All fees payable on or before the Series 2017-1 Closing Date pursuant to the Fee Letter shall have been paid in full.

(i) The Rating Agency Condition shall have been satisfied in respect of the initial purchase.

4.2 Conditions Precedent to Each Increase under Series 2017-1 Senior Notes

On or prior to each Increase, the following conditions precedent shall be satisfied:

(a) the Administrative Agent shall have received an Increase Notice;

(b) no Termination Event shall have occurred or would occur after giving effect to such Increase;

(c) the Increase Date in respect of the Increase is prior to the Commitment Expiry Date;

(d) if the Increase is identified as a Transfer Increase in the Increase Notice, then the related Transfer under the Master Transfer and Servicing Agreement shall have been completed.

(e) after giving effect to the Increase, the covenant of the Issuer in Section 7.1(d) will be satisfied.

The Issuer's acceptance of funds in connection with each Increase occurring on any Increase Date shall constitute a representation and warranty by the Issuer to the Administrative Agent and the Purchaser Groups as of such Increase Date that all of the conditions contained in Section 3.3(a) and this Section 4.2 are satisfied.

ARTICLE 5
ESTABLISHMENT OF ACCOUNTS

5.1 Establishment of Series 2017-1 Cash Reserve Account

On or before the Series 2017-1 Closing Date, the Issuer shall cause to be established and maintained an Eligible Deposit Account (the "**Series 2017-1 Cash Reserve Account**") in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the Series 2017-1 Specified Creditors. The Series 2017-1 Cash Reserve Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the Series 2017-1 Specified Creditors. If, at any time, the institution holding the Series 2017-1 Cash Reserve Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 calendar days (or such longer period, not to exceed 45 calendar days, so long as the Rating Agency Condition is satisfied) establish a new Series 2017-1 Cash Reserve Account that is an Eligible Deposit Account and shall transfer any funds or other property from such

Series 2017-1 Cash Reserve Account to such new Series 2017-1 Cash Reserve Account. From the date each such new Series 2017-1 Cash Reserve Account is established, it shall be the "Series 2017-1 Cash Reserve Account." The Series 2017-1 Cash Reserve Account is a Finance Reserve Account for the purposes of the Trust Indenture.

5.2 Series Account

The Series 2017-1 Cash Reserve Account is established solely for the benefit of the Series 2017-1 Notes and the holders thereof.

5.3 Waterfall Deposits to Series 2017-1 Cash Reserve Account

On each Payment Date when distributions of collections are being made under Section 7.04(e) of the Trust Indenture, the Paying Agent shall deposit to the Series 2017-1 Cash Reserve Account an amount equal to the Cash Reserve Required Deposit Amount pursuant to Section 7.04(e)(iv) of the Trust Indenture.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Administrative Agent and the Purchaser Groups as of the Series 2017-1 Closing Date, and shall be deemed to represent and warrant to the Administrative Agent and the Purchaser Groups on each Increase Date, that:

(a) no Termination Event has occurred or would result from the initial purchase of the Issuer Investment Interest on the Series 2017-1 Closing Date or any increase in the Issuer Investment Interest on an Increase Date, as applicable;

(b) the Issuer Trustee and the Issuer are not non-residents of Canada within the meaning of the *Income Tax Act* (Canada);

(c) all tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name and the Declaration of Trust has neither been amended nor rescinded other than as consented to by the holders of the Series 2017-1 Senior Notes;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest;

(f) all information provided to the Administrative Agent and the Purchaser Groups by or on behalf of the Issuer in respect of the Issuer Investment Interest is and will be true and accurate in all material respects;

(g) there has been no material adverse change in the condition (financial or otherwise), business, operations, results of operations, or the property of the Issuer; and

(h) the Issuer does not own or hold, directly or indirectly, any shares or equity security of, or any equity interest in, any Person.

6.2 Representations and Warranties of the Purchasers

Each Purchaser represents and warrants to the Issuer as of the Series 2017-1 Closing Date, and shall be deemed to represent and warrant to the Issuer on each Increase Date, that:

(a) it is resident in Ontario or is otherwise subject to the securities legislation of the Province of Ontario;

(b) it is purchasing the applicable Series 2017-1 Senior Notes (i) as principal for its own account and not for the benefit of any other "person" (as defined in the *Securities Act* (Ontario)) or company; and (ii) for cash consideration in excess of $150,000; and

(c) it was not created and is not being used solely to purchase or hold securities in reliance on the exemption from the prospectus and dealer registration requirements contained in Section 2.10 of National Instrument 45-106 − Prospectus and Registration Exemptions.

6.3 Survival

The representations and warranties set out in this Article 4 shall survive the execution hereof.

ARTICLE 7
COVENANTS

7.1 Covenants of the Issuer

(a) The Issuer shall provide to the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser (in multiple copies if requested) as soon as possible, copies of all reports, notices, financial statements and other documents delivered by the IESO to the Issuer with respect to the Issuer Investment Interest or pursuant to the Master Transfer and Servicing Agreement.

(b) The Issuer shall provide to the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser (in multiple copies, if requested) such other information, documents, records or reports respecting the Issuer Investment Interest, the Issuer or the IESO which is in the possession or under the control of the Issuer or the Manager as the Administrative Agent, a Funding Agent or a Non-Conduit Purchaser may from time to time reasonably request.

(c) The Issuer shall furnish to the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser promptly after known to the Issuer or the Manager, information with respect to any action, suit or proceeding involving the Manager, the Issuer or the IESO or any of their respective Affiliates by or before any court or any Governmental Authority which, if adversely determined, would have a material and adverse effect on such party or the transactions contemplated by, or such party's ability to perform its obligations under, this Supplemental Indenture or the other Program Agreements.

(d) The Issuer will, at all time, cause the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be not less than [**49**]% of the aggregate outstanding principal amount of all Issuer Funding Obligations.

(e) The Issuer will not make any amendments to the agreements governing any outstanding Subordinated Funding Obligations or Junior Subordinated Funding Obligations without the prior written consent of the Requisite Series 2017-1 Noteholders.

(f) The Issuer confirms that this Supplemental Indenture is a Warehouse Facility Agreement. The Issuer will not enter into any other Warehouse Facility Agreement creating Senior Funding Obligations without the prior written consent of the Requisite Series 2017-1 Noteholders unless the Commitment Expiry Date has occurred.

ARTICLE 8
AGENTS

8.1 Administrative Agent

(a) Each of the Non-Conduit Purchasers, CP Conduit Purchasers, the Group Banks and the Funding Agents hereby irrevocably designates and appoints the Administrative Agent as the agent of such Person under this Supplemental Indenture and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Supplemental Indenture and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Supplemental Indenture, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Supplemental Indenture, the Administrative Agent shall not have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any Non-Conduit Purchaser, any CP Conduit Purchaser, any Group Bank or any Funding Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Supplemental Indenture or otherwise exist against the Administrative Agent.

(b) The Administrative Agent may execute any of its duties under this Supplemental Indenture by or through agents or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(c) Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Trust Indenture, this Supplemental Indenture or any other Program Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks or the Funding Agents for any recitals, statements, representations or warranties made by the Issuer, the IESO, the Manager or any officer thereof contained in this Supplemental Indenture or any other Program Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this

Supplemental Indenture or any other Program Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Supplemental Indenture, any other Program Agreement, or for any failure of any of the Issuer, the Manager or the IESO to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Non-Conduit Purchaser, any CP Conduit Purchaser, any Group Bank or any Funding Agent to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Supplemental Indenture, any other Program Agreement or to inspect the properties, books or records of the Issuer, the Manager or the IESO.

(d) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter or telecopy message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Issuer, the Manager or the IESO), independent accountants and other experts selected by the Administrative Agent.

(e) The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Termination Event unless the Administrative Agent has received written notice from a Non-Conduit Purchaser, a CP Conduit Purchaser, a Group Bank, a Funding Agent, the Issuer or the Manager referring to the Trust Indenture or this Supplemental Indenture, describing such Termination Event and stating that such notice is a "notice of a Termination Event". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Non-Conduit Purchasers, the Funding Agents, the Issuer Trustee and the Manager.

(f) Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Issuer, the Manager or the IESO shall be deemed to constitute any representation or warranty by the Administrative Agent to any such Person. Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Non-Conduit Purchaser, CP Conduit Purchaser, Group Bank or Funding Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Issuer, the Manager and the IESO and made its own decision to enter into this Supplemental Indenture. Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents also represents that it will, independently and without reliance upon the Administrative Agent or any other Non-Conduit Purchaser, CP Conduit Purchaser, Group Bank or Funding Agent, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Supplemental Indenture and the other Program Agreements, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Issuer, the Manager and the IESO. Except for notices, reports and other documents expressly required to be furnished to the Non-Conduit Purchasers and the Funding Agents by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to

provide any Non-Conduit Purchaser, any CP Conduit Purchaser, any Group Bank or any Funding Agent with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Issuer, the Manager or the IESO which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys in fact or Affiliates.

(g) The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Issuer, the Manager and the IESO as though the Administrative Agent were not the Administrative Agent hereunder. With respect to any Series 2017-1 Senior Note held by the Administrative Agent, the Administrative Agent shall have the same rights and powers under this Supplemental Indenture and the other Program Agreements as any Group Bank or Funding Agent and may exercise the same as though it were not the Administrative Agent, and the terms "Group Bank," and "Funding Agent" shall include the Administrative Agent in its individual capacity.

(h) The Administrative Agent may resign as Administrative Agent at any time by giving 30 days' notice to the Non-Conduit Purchasers, the Funding Agents, the Indenture Trustee, the Issuer and the Manager. If ● shall resign as Administrative Agent under this Supplemental Indenture, then the Requisite Series 2017-1 Noteholders shall appoint a successor administrative agent from among the Non-Conduit Purchasers and Funding Agents, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Supplemental Indenture. If no successor administrative agent has accepted appointment as Administrative Agent prior to the effective date of the resignation of the Administrative Agent, the retiring Administrative Agent may appoint, after consulting with the Non-Conduit Purchasers and the Funding Agents, a successor Administrative Agent from among the Non-Conduit Purchasers and the Funding Agents. If no successor administrative agent has accepted appointment by the date which is thirty (30) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and Manager shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Requisite Series 2017-1 Noteholders appoint a successor administrative agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Supplemental Indenture.

8.2 Funding Agents

(a) Each CP Conduit Purchaser and each Group Bank with respect to such CP Conduit Purchaser hereby irrevocably designates and appoints the Funding Agent set forth next to such CP Conduit Purchaser's name on Schedule E as the agent of such Person under this Supplemental Indenture and irrevocably authorizes such Funding Agent, in such capacity, to take such action on its behalf under the provisions of this Supplemental Indenture and to exercise such powers and perform such duties as are expressly delegated to such Funding Agent by the terms of this Supplemental Indenture, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Supplemental Indenture, each Funding Agent shall not have any duties or responsibilities except those

expressly set forth herein, or any fiduciary relationship with any CP Conduit Purchaser or Group Bank and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Supplemental Indenture or otherwise exist against each Funding Agent.

(b) Each Funding Agent may execute any of its duties under this Supplemental Indenture by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Each Funding Agent shall not be responsible to the CP Conduit Purchaser or any Group Bank in its CP Conduit Purchaser Group for the negligence or misconduct of any agents or attorneys in fact selected by it with reasonable care.

(c) Each Funding Agent and any of its officers, directors, employees, agents, attorneys in fact or Affiliates shall not be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Trust Indenture, this Supplemental Indenture or any other Program Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the CP Conduit Purchasers and/or Group Banks for any recitals, statements, representations or warranties made by the Issuer, the Manager or the IESO, or any officer thereof contained in this Supplemental Indenture or any other Program Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by such Funding Agent under or in connection with, this Supplemental Indenture or any other Program Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Supplemental Indenture, any other Program Agreement, or for any failure of any of the Issuer, the Manager or the IESO to perform its obligations hereunder or thereunder. Each Funding Agent shall not be under any obligation to the CP Conduit Purchaser or any Group Bank in its CP Conduit Purchaser Group to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Supplemental Indenture, any other Program Agreement or to inspect the properties, books or records of the Issuer, the Manager or the IESO.

(d) Each Funding Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter or telecopy message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Issuer, the Manager or the IESO), independent accountants and other experts selected by such Funding Agent. Each Funding Agent shall be fully justified in failing or refusing to take any action under this Supplemental Indenture or any other Program Agreement unless it shall first receive such advice or concurrence of the Related Purchaser Group, as it deems appropriate or it shall first be indemnified to its satisfaction by the Related Purchaser Group against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

(e) Each Funding Agent shall not be deemed to have knowledge or notice of the occurrence of any Termination Event unless such Funding Agent has received written notice from a Non-Conduit Purchaser, a CP Conduit Purchaser, a Group Bank, the Issuer, the Manager or the Administrative Agent referring to the Trust Indenture or this Supplemental Indenture, describing such Termination Event and stating that such notice is a "notice of a Termination Event," as the case may be. In the event that any Funding Agent receives such a notice, such Funding Agent shall give notice thereof to the CP Conduit Purchaser and Group Bank in its CP Conduit Purchaser Group. Such Funding Agent shall take such action with respect to such event as shall

be reasonably directed by the CP Conduit Purchaser and Group Bank in its CP Conduit Purchaser Group, provided that unless and until such Funding Agent shall have received such directions, such Funding Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such event as it shall deem advisable in the best interests of the CP Conduit Purchaser and Group Bank in its CP Conduit Purchaser Group.

(f) Each CP Conduit Purchaser and each of the related Group Banks expressly acknowledge that neither its Funding Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates has made any representations or warranties to it and that no act by such Funding Agent hereinafter taken, including any review of the affairs of the Issuer, the Manager or the IESO shall be deemed to constitute any representation or warranty by such Funding Agent to any such Person. Each CP Conduit Purchaser and each of the related Group Banks represents to its Funding Agent that it has, independently and without reliance upon such Funding Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Issuer, the Manager and the IESO and made its own decision to enter into this Supplemental Indenture. Each CP Conduit Purchaser and each of the related Group Banks also represents that it will, independently and without reliance upon its Funding Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Supplemental Indenture and the other Program Agreements, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other conditions and creditworthiness of the Issuer, the Manager and the IESO.

(g) Each Group Bank in a CP Conduit Purchaser Group agrees to indemnify its Funding Agent in its capacity as such (to the extent not reimbursed by the Issuer and without limiting the obligation of the Issuer to do so), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time be imposed on, incurred by or asserted against such Funding Agent in any way relating to or arising out of this Supplemental Indenture, any of the other Program Agreements or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Funding Agent under or in connection with any of the foregoing; provided that no Group Bank shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such related Funding Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of all amounts payable hereunder.

ARTICLE 9
GENERAL

9.1 Successor and Assigns

(a) This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that (i) the Issuer may not assign or transfer any of its rights under this Supplemental Indenture without the prior written consent of all of the Series 2017-1 Noteholders; (ii) no Non-Conduit Purchaser may assign or transfer any of its rights under this Supplemental Indenture other than pursuant to paragraph (e) or (f) below;

(iii) no CP Conduit Purchaser may assign or transfer any of its rights under this Supplemental Indenture other than to the Group Bank with respect to such CP Conduit Purchaser or a Program Support Provider with respect to such CP Conduit Purchaser or pursuant to clause (b) or (e) below of this Section 9.1; and (iv) no Group Bank may assign or transfer any of its rights or obligations under this Supplemental Indenture except to a Program Support Provider or pursuant to clause (c), (d) or (e) below of this Section 9.1.

(b) Without limiting the foregoing, each CP Conduit Purchaser may assign all or a portion of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser and its rights and obligations under this Supplemental Indenture to a Conduit Assignee with respect to such CP Conduit Purchaser. Prior to or concurrently with the effectiveness of any such assignment (or if impracticable, immediately thereafter), the assigning CP Conduit Purchaser shall notify the Administrative Agent and the Issuer. Upon such assignment by a CP Conduit Purchaser to a Conduit Assignee, (i) such Conduit Assignee shall be the owner of the Purchaser Group Principal Amount or such portion thereof with respect to such CP Conduit Purchaser; (ii) the related administrative or managing agent for such Conduit Assignee will act as the administrative agent for such Conduit Assignee hereunder, with all corresponding rights and powers, express or implied, granted to the Funding Agent hereunder; (iii) such Conduit Assignee and its liquidity support provider(s) and credit support provider(s) and other related parties shall have the benefit of all the rights and protections provided to such CP Conduit Purchaser herein (including, without limitation, any limitation on recourse against such Conduit Assignee as provided in this paragraph); (iv) such Conduit Assignee shall assume all of such CP Conduit Purchaser's obligations, if any, hereunder with respect to such portion of the Purchaser Group Principal Amount and such CP Conduit Purchaser shall be released from such obligations; (v) all distributions in respect of the Purchaser Group Principal Amount or such portion thereof with respect to such CP Conduit Purchaser shall be made to the applicable agent or administrative agent, as applicable, on behalf of such Conduit Assignee; and (vi) if requested by the Administrative Agent or the agent or administrative agent with respect to the Conduit Assignee, the parties will execute and deliver such further agreements and documents and take such other actions as the Administrative Agent or such agent or administrative agent may reasonably request to evidence and give effect to the foregoing. No assignment by any CP Conduit Purchaser to a Conduit Assignee of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser shall in any way diminish the obligations of the Group Bank with respect to such CP Conduit Purchaser under Section 3.3 to fund any Increase.

(c) Any Group Bank may, in the ordinary course of its business and in accordance with applicable law, at any time sell all or any part of its rights and obligations under this Supplemental Indenture and the Series 2017-1 Senior Notes, with the prior written consent of the Administrative Agent and the Issuer (in each case, which consent shall not be unreasonably withheld), to one or more banks (an "**Acquiring Group Bank**") pursuant to a transfer supplement, substantially in the form of Exhibit H (the "**Transfer Supplement**"), executed by such Acquiring Group Bank, such assigning Group Bank, the Funding Agent with respect to such Group Bank, the Administrative Agent and the Issuer and delivered to the Administrative Agent. Notwithstanding the foregoing, no Group Bank shall so sell its rights hereunder if such Acquiring Group Bank is not an Eligible Assignee.

(d) Any Group Bank may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more financial institutions or other entities ("**Group**

Bank Participants") participations in its Commitment Amount with respect to its related CP Conduit Purchaser Group, its Series 2017-1 Senior Note and its rights hereunder pursuant to documentation in form and substance satisfactory to such Group Bank and the Group Bank Participant; provided, however, that (i) in the event of any such sale by a Group Bank to a Group Bank Participant, (A) such Group Bank's obligations under this Supplemental Indenture shall remain unchanged, (B) such Group Bank shall remain solely responsible for the performance thereof, and (C) the Issuer and the Administrative Agent shall continue to deal solely and directly with such Group Bank in connection with its rights and obligations under this Supplemental Indenture; and (ii) no Group Bank shall sell any participating interest under which the Group Bank Participant shall have rights to approve any amendment to, or any consent or waiver with respect to, this Supplemental Indenture, the Trust Indenture or any Program Agreement, except to the extent that the approval of such amendment, consent or waiver otherwise would require the unanimous consent of all Group Banks hereunder. A Group Bank Participant shall have the right to receive compensation pursuant to Section 3.11 but only to the extent that the related selling Group Bank would have had such right absent the sale of the related participation and, with respect to amounts due pursuant to Section 3.11, only to the extent such Group Bank Participant shall have complied with the provisions of Section 3.11 as if such Group Bank Participant were a Group Bank.

(e) Any CP Conduit Purchaser and the Group Bank with respect to such CP Conduit Purchaser may at any time sell all or any part of their respective rights and obligations, and any Non-Conduit Purchaser may at any time sell all or any part of its rights and obligations, under this Supplemental Indenture and the Series 2017-1 Senior Notes, with the prior written consent of the Administrative Agent and the Issuer (in each case, which consent shall not be unreasonably withheld), (x) to a multi-seller commercial paper conduit and one or more banks providing support to such multi-seller commercial paper conduit, or (y) to a financial institution or other entity (an "**Acquiring Purchaser Group**") pursuant to a transfer supplement, substantially in the form of Exhibit I (the "**Purchaser Group Supplement**"), executed by such Acquiring Purchaser Group (including the CP Conduit Purchaser and the Group Banks, if any, with respect to such Acquiring Purchaser Group), the Funding Agent, if any, with respect to such Acquiring Purchaser Group, such assigning Purchaser Group (including the Group Banks, if any, with respect to such assigning Purchaser Group), the Funding Agent, if any, with respect to such assigning Purchaser Group and the Administrative Agent and the Issuer and delivered to the Administrative Agent.

(f) Any Non-Conduit Purchaser may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more financial institutions or other entities ("**Non-Conduit Purchaser Participants**") participations in its Commitment, its Series 2017-1 Senior Note and its rights hereunder pursuant to documentation in form and substance satisfactory to such Non-Conduit Purchaser and the Non-Conduit Purchaser Participant; provided, however, that (i) in the event of any such sale by a Non-Conduit Purchaser to a Non-Conduit Purchaser Participant, (A) such Non-Conduit Purchaser's obligations under this Supplemental Indenture shall remain unchanged, (B) such Non-Conduit Purchaser shall remain solely responsible for the performance thereof, and (C) the Issuer and the Administrative Agent shall continue to deal solely and directly with such Non-Conduit Purchaser in connection with its rights and obligations under this Supplemental Indenture; and (ii) no Non-Conduit Purchaser shall sell any participating interest under which the Non-Conduit Purchaser Participant shall have rights to approve any amendment to, or any consent or waiver with respect to, this Supplemental

Indenture, the Trust Indenture or any Program Agreement, except to the extent that the approval of such amendment, consent or waiver otherwise would require the unanimous consent of all Series 2017-1 Noteholders hereunder. A Non-Conduit Purchaser Participant shall have the right to receive compensation under Section 3.11 but only to the extent that the related selling Non-Conduit Purchaser would have had such right absent the sale of the related participation and, with respect to amounts due pursuant to Section 3.11, only to the extent such Non-Conduit Purchaser Participant shall have complied with the provisions of Section 3.11 as if such Non-Conduit Purchaser Participant were a Non-Conduit Purchaser.

(g) The Issuer authorizes each Group Bank and Non-Conduit Purchaser to disclose to any Group Bank Participant, Acquiring Group Bank, Non-Conduit Purchaser Participant or Acquiring Purchaser Group (each, a "**Transferee**") and any prospective Transferee any and all financial information in such Group Bank's or Non-Conduit Purchaser's possession concerning the Issuer, the Issuer Investment Asset and the Program Agreements which has been delivered to such Group Bank by the Issuer or the Manager in connection with such Group Bank's credit evaluation of the Issuer and the Issuer Investment Asset.

(h) Notwithstanding any other provision of this Supplemental Indenture to the contrary, any Non-Conduit Purchaser, any Group Bank or any Program Support Provider may at any time pledge or grant a security interest in all or any portion of its rights under its Series 2017-1 Senior Note and this Supplemental Indenture to secure obligations of such Non-Conduit Purchaser, such Group Bank or such Program Support Provider to a Federal Reserve Bank or the Bank of Canada, without notice to or consent of the Administrative Agent, the Issuer or the Administrator; provided that no such pledge or grant of a security interest shall release a Non-Conduit Purchaser or an Group Bank from any of its obligations hereunder or substitute any such pledgee or grantee for such Non-Conduit Purchaser or such Group Bank as a party hereto.

9.2 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture which shall be applicable to this Supplemental Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2017-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2017-1 Noteholders.

9.3 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given (a) in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 16 of the Trust Indenture; and (b) in the case of the Administrative Agent, the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents, in writing, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand or three days after being deposited in the mail, postage prepaid, in the case of facsimile notice, when received, or in the case of overnight air courier, one Business Day after the date such notice is delivered to such overnight courier, addressed as follows in the case of the Administrative Agent and to the addresses therefor set forth in Schedule E, in the case of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group

Banks and the Funding Agents; or to such other address as may be hereafter notified by the respective parties hereto:

Administrative Agent:

●

9.4 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

9.5 Entire Agreement

This Supplemental Indenture, the Fee Letter, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Fee Letter, the Trust Indenture and the other Program Agreements.

9.6 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

9.7 Acknowledgment of Trust Indenture and No Proceedings

The Administrative Agent, each Non-Conduit Purchaser, each CP Conduit Purchaser, each Group Bank and each Funding Agent hereby acknowledges and agrees in favour of the Indenture Trustee that it is a Specified Creditor under the Trust Indenture and its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.06 (Payments Held in Trust), Section 8.12 (Limitation on Suits), Sections 7.04 and 8.13 (Payment Priorities), Section 8.15 (Limited Recourse) and Section 17.01 (No Petition).

9.8 Expenses

The Issuer agrees to pay on demand (a) to the Indenture Trustee, the Administrative Agent and the Purchaser Groups all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture and the other documents to be delivered hereunder or in connection herewith, including, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent and the Purchaser Groups, with respect thereto, and the reasonable fees and out-of-pocket expenses incurred by the CP Conduit Purchasers in connection

with the review by each rating agency then rating the Commercial Paper of such CP Conduit Purchaser of the transactions contemplated by this Supplemental Indenture and the Program Agreements; (b) to the Indenture Trustee, the Administrative Agent and each Purchaser Group all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and the reasonable fees and out-of-pocket expenses incurred by the CP Conduit Purchasers in connection with the review by any rating agency then rating the Commercial Paper of such CP Conduit Purchasers; and (c) to the Indenture Trustee, the Administrative Agent and each Purchaser Group, on demand, all reasonable costs and expenses (including reasonable fees and expenses of counsel to the Administrative Agent and each Purchaser Group), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

9.9 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

9.10 Confidentiality

(a) Each Purchaser Group and the Administrative Agent covenants and agrees that any Nonpublic Information (as defined herein) obtained by it pursuant to this Supplemental Indenture and the other Program Agreements shall be held in confidence except that the Purchaser Groups or Administrative Agent may disclose such information (i) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding (whether or not having the force or effect of law) provided that, unless prohibited by applicable law, a Purchaser Group or the Administrative Agent, as applicable, shall provide prompt notice of such order to the affected party; (ii) upon the request or demand of any regulatory authority having or claiming jurisdiction over any Purchaser Group or the Administrative Agent; (iii) as required by applicable law; (iv) to the extent that such information becomes publicly available other than by reason of improper disclosure by a Purchaser Group or the Administrative Agent; (v) to its affiliates, officers, directors, employees, legal counsel, independent auditors, accountants, advisors, investors, potential investors, commercial paper dealers, providers of surety, guaranty, credit or liquidity enhancement (including the directors, officers and accountants of such surety, guaranty, credit or liquidity enhancement provider), legal counsel of any of the foregoing and other experts or agents who need to know such information and are informed of the confidential nature of such information (provided that the Persons permitted to make such disclosures under clauses (i), (ii) and (iii) of this Section 9.10 shall also include credit or liquidity enhancers of a CP Conduit Purchaser); (vi) for purposes of establishing a "due diligence" defense; (vii) which was available to a Purchaser Group or the Administrative Agent on a non-confidential basis from a source other than the affected party, provided that such source was not to the knowledge of the Purchaser Group or the Administrative Agent, as applicable, bound by a confidentiality agreement with the affected party; (viii) has been independently acquired or developed by a Purchaser Group or the Administrative Agent without violating any of the Purchaser Group's or the Administrative Agent's obligations under this Supplemental Indenture; (ix) if such disclosure

has been approved in writing in advance by the Issuer or the Manager; or (x) regarding the existence of this Supplemental Indenture, but not the financial terms thereof.

(b) The Issuer covenants and agrees to hold in confidence, and not disclose to any Person, the terms of this Supplemental Indenture (including any fees payable in connection with this Supplemental Indenture or the identity of any CP Conduit Purchaser under this Supplemental Indenture), except as the applicable Purchaser Group may have consented to in writing prior to any proposed disclosure and except (i) it may also disclose such information (A) to its officers, employees, agents and legal advisors who are directly involved in the consideration of this Supplemental Indenture (and then only on a confidential basis), (B) as required by applicable law or compulsory legal process, and (C) as expressly permitted by the terms of the Program Agreements; provided, that, in the case of clause (B), the Issuer will use all reasonable efforts to maintain confidentiality and will (unless otherwise prohibited by law) notify the affected Administrative Agent or Purchaser Group of its intention to make any such disclosure prior to making such disclosure; and (ii) it may also disclose the existence (but not the financial terms) of this Supplemental Indenture, including to any actual or prospective purchaser of other Notes.

9.11 Acknowledgement and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in this Supplemental Indenture or in any other Program Agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under this Supplemental Indenture or any other Program Agreement, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments or ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Supplemental Indenture or any other Facility Agreement; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

9.12 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that ● Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in

connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 9.12, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 9.12 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2017-1 Senior Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

9.13 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

9.14 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Trust Indenture as of the date first above written.

● **TRUST**, by ● **TRUST COMPANY OF CANADA**, as Issuer Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

● **TRUST COMPANY OF CANADA**, as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

●,

By: _____
Name:
Title:

[NTD: Detailed signing pages to be prepared.]

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means the outstanding Dollar Principal Amount of all Funding Obligations of the Series 2017-1 Senior Notes have been declared or automatically become due and payable pursuant to Section 8.02 of the Trust Indenture.

"**Administrative Agent**" shall have the meaning specified in the preamble to this Supplemental Indenture.

"**Affected Party**" means any Non-Conduit Purchaser, CP Conduit Purchaser and any Program Support Provider with respect to any CP Conduit Purchaser.

"**Applicable Margin**" is defined in the Fee Letter.

"**Bail-In Action**" shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"**Bail-In Legislation**" shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"**Basel II**" means the revised Basel Accord prepared by the Basel Committee on Banking Supervision as set out in the publication entitled "International Convergence of Capital Measurements and Capital Standards: a Revised Framework," as updated from time to time, and any rules, regulations, guidance, requests, interpretations or directives from any Official Body relating thereto (whether or not having the force of law).

"**Basel III**" means the revised Basel Accord prepared by the Basel Committee on Banking Supervision as set out in the publication entitled "A Global Regulatory Framework for More Resilient Banks and Banking Systems" developed by the Basel Committee on Banking Supervision, initially published in December 2010, as updated from time to time, and any rules, regulations, guidance, requests, interpretations or directives from any Official Body relating thereto (whether or not having the force of law).

"**Cash Reserve Required Deposit Amount**" means, on any day, the amount by which the balance on deposit in the Series 2017-1 Cash Reserve Account is less than the Series 2017-1 Cash Reserve Required Amount.

"**CDOR**" means, on any day, an annual rate of interest equal to the average rate applicable to Canadian dollar bankers' acceptances for a 1 month period appearing on the "Reuters Screen CDOR Page" (as defined in the International Swaps and Derivatives Association, Inc. 2000 definitions, as modified and amended from time to time) at approximately 10:00 a.m. on such day, or if such day is not a Business Day, then on the immediately preceding Business Day, provided that if such rate does not appear on the Reuters Screen CDOR Page on such day as contemplated, then CDOR on such day shall be calculated as the average of the rates for such

period applicable to Canadian dollar bankers' acceptances quoted by the banks listed in Schedule I of the *Bank Act* (Canada) as of 10:00 a.m. on such day or, if such day is not a Business Day, then on the immediately preceding Business Day.

"**CEA Decrease**" is defined in Section 3.4(a).

"**Code**" is defined in Section 3.10(a).

"**Commercial Paper**" means, with respect to any CP Conduit Purchaser, the promissory notes issued by, or for the benefit of, such CP Conduit Purchaser in the commercial paper market.

"**Commitment**" means, with respect to (a) the Group Bank included in any CP Conduit Purchaser Group, the obligation of such Group Bank to purchase a Series 2017-1 Senior Note on the Series 2017-1 Closing Date and, thereafter, to maintain and, subject to certain conditions, increase the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group, in each case, in an amount up to the Maximum Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group; or (b) any Non-Conduit Purchaser Group, the obligation of the Related Non-Conduit Purchaser to purchase a Series 2017-1 Senior Note on the Series 2017-1 Closing Date and, thereafter, to maintain and, subject to certain conditions, increase the Purchaser Group Principal Amount with respect to such Non-Conduit Purchaser Group, in each case, in an amount up to the Maximum Purchaser Group Principal Amount with respect to such Non-Conduit Purchaser Group.

"**Commitment Expiry Date**" means the earlier of (a) the Scheduled Commitment Expiry Date; and (b) the date on which an Event of Default shall have been declared or automatically occurred.

"**Commitment Fee**" is defined in Section 3.6(b).

"**Commitment Fee Rate**" is defined in the Fee Letter.

"**Commitment Percentage**" means, on any date of determination, with respect to any Purchaser Group, the ratio, expressed as a percentage, which such Purchaser Group's Maximum Purchaser Group Principal Amount bears to the Series 2017-1 Maximum Principal Amount on such date.

"**Conduit Assignee**" means, with respect to any CP Conduit Purchaser, any commercial paper conduit administered by the Funding Agent with respect to such CP Conduit Purchaser and designated by such Funding Agent to accept an assignment from such CP Conduit Purchaser of the Purchaser Group Principal Amount or a portion thereof with respect to such CP Conduit Purchaser pursuant to Section 9.1(b).

"**CP Conduit Funded Amount**" means, with respect to any CP Conduit Purchaser Group for any day, the portion of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group funded by the CP Conduit Purchaser in respect of such CP Conduit Purchaser Group.

"**CP Conduit Purchaser**" means each commercial paper conduit listed on Schedule E or party to a Purchaser Group Supplement pursuant to which such commercial paper conduit became a party to this Supplemental Indenture

"**CP Conduit Purchaser Group**" means, collectively, a CP Conduit Purchaser and the Group Bank with respect to such CP Conduit Purchaser.

"**CP Conduit Rating Agencies**" means, with respect to any CP Conduit Purchaser, each of DBRS and Moody's and any other nationally recognized statistical rating organization which may, from time to time, rate the Commercial Paper of the CP Conduit Purchaser at the request of the CP Conduit Purchaser.

"**CP Rate**" means with respect to any CP Conduit Purchaser for any day during a Billing Period, the weighted average annual rate of interest applicable to all Commercial Paper of the CP Conduit Purchaser; and provided further that (x) any such Commercial Paper may be issued in either United States dollars or Canadian dollars with the appropriate market rate currency swap agreements being entered into to match such issuance to the funding requirements of such CP Conduit Purchaser, and (y) such weighted average annual rate of interest shall be calculated to reflect any costs incurred by such Purchaser in connection with such swap transactions or in connection with any redemption or repurchase transaction between such Purchaser and the holders of such commercial paper; provided that no amount shall be included in the calculation of the CP Rate which reflects any termination amounts payable by such CP Conduit Purchaser in respect of the early termination of any market rate currency swap referred to in this definition.

"**Decrease**" is defined in Section 3.4(a).

"**Decrease Amount**" is defined in Section 3.4(a).

"**Deferrable Increase Notice**" means a notice of Increase that provides that a Delayed Funding Notice may be provided by any Purchaser Group with respect to such Increase in accordance with Section 3.3(e).

"**Delayed Amount**" is defined in Section 3.3(e).

"**Delayed Funding Date**" is defined in Section 3.3(e).

"**Delayed Funding Notice**" is defined in Section 3.3(e).

"**Delayed Funding Purchaser Group**" is defined in Section 3.3(e).

"**Delayed Funding Reimbursement Amount**" means, with respect to any Delayed Amount of a Delayed Funding Purchaser Group funded by Non-Delayed Funding Purchaser Groups on an Increase Date, an amount equal to the excess, if any, of (a) such Delayed Amount; over (b) the amount, if any, by which the portion of any principal payment made by the Issuer to such Non-Delayed Funding Purchaser Group pursuant to Section 3.7 on any date during the period from and including such Increase Date to but excluding the Delayed Funding Date for such Delayed Amount, was greater than what it would have been had such Delayed Amount been funded by such Delayed Funding Purchaser Group on such Increase Date.

"**EEA Financial Institution**" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority; (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition; or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" shall mean any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"**EEA Resolution Authority**" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Eligible Assignee**" means a financial institution having short-term debt ratings of at least "A-1" from Standard & Poor's and "P-1" from Moody's.

"**EU Bail-In Legislation Schedule**" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"**Excluded Taxes**" shall have the meaning specified in Section 3.10(a) of this Supplemental Indenture.

"**Fee Letter**" means the letter dated the date hereof, from the Issuer addressed to the Administrative Agent, each Non-Conduit Purchaser and each of the CP Conduit Purchasers, the Funding Agents and the Group Banks, setting forth certain fees payable from time to time to the Purchaser Groups, as such letter may be amended or replaced from time to time.

"**Funding Agent**" means, with respect to each CP Conduit Purchaser and its CP Conduit Purchaser Group, the agent bank set forth opposite the name of such CP Conduit Purchaser on Schedule E or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser became a party to this Supplemental Indenture.

"**Group Bank**" means, with respect to a CP Conduit Purchaser, the bank or other Person set forth opposite the name of such CP Conduit Purchaser on Schedule E or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser became a party to this Supplemental Indenture and any assignee thereof, to the extent such assignee has assumed all or a portion of the Commitments of the Group Bank pursuant to a Transfer Supplement entered into in accordance with Section 9.1(c).

"**Group Bank Funded Amount**" means, with respect to any CP Conduit Purchaser Group for any day, the excess, if any, of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group over the CP Conduit Funded Amount with respect to such CP Conduit Purchaser Group for such day.

"**Group Bank Participants**" is defined in Section 9.1(d).

"**Increase**" is defined in Section 3.3(a).

"**Increase Amount**" is defined in Section 3.3(a).

"**Increase Date**" is defined in Section 3.3(a).

"**Increase Notice**" is defined in Section 3.3(a).

"**Issuer indemnified person**" is defined in Section 3.8

"**Manager Indemnity**" means an indemnity agreement from the Manager in favour of the Purchaser Groups, the Funding Agents and the Administrative Agent with respect to losses resulting from the failure of the Issuer to perform its obligations under the Program Agreements other than losses resulting from insufficient funds being transferred to the Issuer, in form and substance satisfactory to the Purchaser Groups, the Funding Agents and the Administrative Agent.

"**Maximum Purchaser Group Principal Amount**" means, with respect to (a) any CP Conduit Purchaser Group, the amount set forth opposite the name of the CP Conduit Purchaser included in such CP Conduit Purchaser Group on Schedule E or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser Group became a party to this Supplemental Indenture; or (b) any Non-Conduit Purchaser Group, the amount set forth opposite the name of such Non-Conduit Purchaser Group on Schedule E or in the Purchaser Group Supplement pursuant to which such Non-Conduit Purchaser Group became a party to this Supplemental Indenture, in each case, as such amount may be increased or reduced from time to time as provided in Section 3.5.

"**Monthly Interest**" means, with respect to each Billing Period and:

(a) any CP Conduit Purchaser Group, the sum of:

(i) for each day during such Billing Period, the product of (x) the portion of the CP Conduit Funded Amount with respect to the CP Conduit Purchaser Group on such day funded through the issuance of Commercial Paper outstanding on such day, times (y) the sum of the CP Rate for such day plus the Applicable Margin, divided by (z) 365; plus

(ii) for each day during such Billing Period, the product of (x) the portion of the CP Conduit Funded Amount with respect to the CP Conduit Purchaser in such GP Conduit Purchaser Group on such day not funded through the issuance of Commercial Paper outstanding on such day, times (y) the sum of CDOR for such day plus the Applicable Margin, divided by (z) 365; plus

(iii) for each day during such Billing Period the product of (x) the Group Bank Funded Amount with respect to such Purchaser Group on such day, times (y) the sum of CDOR for such day plus the Applicable Margin, divided by (x) 365.

(b) any Non-Conduit Purchaser Group, the sum for each day during such Billing Period of the product of (i) the Purchaser Group Principal Amount with respect to such Non-

Conduit Purchaser Group on such day; times (ii) the sum of CDOR for such day plus the Applicable Margin, divided by (iii) 365

"**Monthly Interest, Fees and Other Amounts**" shall mean, for any Payment Date, the aggregate for all Purchaser Groups of the sum of (a) Monthly Interest for the related Billing Period for each Purchaser Group; plus (b) the Commitment Fee with respect to the related Billing Period for each Purchaser Group; plus (c) any amounts payable pursuant to a Purchaser Group hereunder including, without limitation, pursuant to Sections 3.8, 3.10, 3.11 and 9.8, for each Purchaser Group; plus (d) the Monthly Interest Shortfall for such Payment Date for each Purchaser Group.

"**Monthly Interest Shortfall**" means, for any Payment Date and a Purchaser Group, if the amount of the Monthly Interest, Fees and Other Amounts for the preceding Payment Date was greater than the amount distributed to the payment of such amounts pursuant to Section 3.6(f), an amount equal to the Monthly Interest, Commitment Fees and other amounts owing to such Purchaser Group which were unpaid on the preceding Payment Date plus interest on such unpaid amount for the period from the preceding Payment Date to the current Payment Date at a rate equal to the Prime Rate plus ●% per annum.

"**Non-Conduit Purchaser**" means each financial institution or other entity (other than a commercial paper conduit, Group Bank or Funding Agent) listed on Schedule E or party to a Purchaser Group Supplement pursuant to which such financial institution or entity became a party to this Supplemental Indenture.

"**Non-Conduit Purchaser Group**" means a Non-Conduit Purchaser.

"**Non-Conduit Purchaser Participants**" is defined in Section 9.1(f).

"**Non-Deferrable Draw Amount**" means, with respect to any Purchaser Group as of any Increase Date, an amount equal to the lesser of (a) the excess, if any, of (x) **[10]**% of the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group over (y) the portion of any Increase Amounts funded by such Purchaser Group during the preceding thirty-five (35) days pursuant to a Non-Deferrable Increase Notice or, to the extent of any decrease pursuant to Section 3.3(e) in the Delayed Amount set forth in a Delayed Funding Notice delivered by such Purchaser Group, a Deferrable Increase Notice; and (b) the excess, if any, of (x) the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group, over (y) the sum of (i) the Purchaser Group Principal Amount with respect to such Purchaser Group; and (ii) any unfunded Delayed Amounts with respect to such Purchaser Group, in each case as of such Increase Date. [**NTD: The percentage in (a)(x) above is intended to represent the non-deferrable amount.]**

"**Non-Deferrable Increase Notice**" means a notice of Increase that provides that a Delayed Funding Notice may not be provided by any Purchaser Group with respect to such Increase in accordance with Section 3.3(a).

"**Non-Delayed Funding Purchaser Group**" is defined in Section 3.3(f).

"**Optional Termination Date**" is defined in Section 3.4.

"**Optional Termination Notice**" is defined in Section 3.4.

["Other Taxes" means any and all current or future stamp or documentary taxes or other excise or property taxes, charges or similar levies arising from any payment made under this Supplemental Indenture, the Trust Indenture, or any other Program Agreement or from the execution, delivery or enforcement of, or otherwise with respect to, this Supplemental Indenture, the Trust Indenture or any other Program Agreement.]

"**Payment Date Waterfall Principal Amount**" means, in respect of the Series 2017-1 Notes:

(a) on any Payment Date that is a Decrease Date in respect of a CEA Decrease before the earlier of (i) the Series 2017-1 Principal Payment Due Date; and (ii) the occurrence of an Acceleration Event, the Decrease Amount of the CEA Decrease occurring on such Payment Date;

(b) on any Payment Date that is not a Decrease Date in respect of a CEA Decrease before the earlier of (i) the Series 2017-1 Principal Payment Due Date; and (ii) the occurrence of an Acceleration Event, nil; and

(c) on any Payment Date occurring on or after the earlier of (i) the Series 2017-1 Principal Payment Due Date; and (ii) the occurrence of an Acceleration Event, the Series 2017-1 Principal Amount.

"**Prime Rate**" means the annual rate of interest announced by ● from time to time as being its reference rate for the determination of interest rates on Canadian dollar denominated commercial loans made by it and commonly referred to by ● as its "prime rate."

["Privacy Laws" shall mean, collectively (a) *An Act Respecting the Protection of Personal Information in the Private Sector* (Quebec); (b) *Personal Information Protection and Electronic Documents Act* (Canada); (c) *Personal Information Protection Act* (British Columbia); and (d) such other similar statutes of Canada or any province in force from time to time and any principles of common or civil law applicable therein, which restrict, control, regulate or otherwise govern the collection, holding, use or communication of personal information.]

"**Pro Rata Share**" means, with respect to any Purchaser Group, on any date, the ratio, expressed as a percentage, which the Purchaser Group Principal Amount with respect to such Purchaser Group bears to the Series 2017-1 Principal Amount on such date.

"**Program Support Provider**" means, with respect to any CP Conduit Purchaser, the Group Bank with respect to such CP Conduit Purchaser and any other or additional Person now or hereafter extending credit, or having a commitment to extend credit to or for the account of, or to make purchases from, such CP Conduit Purchaser or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with such CP Conduit Purchaser's securitization program.

"**Purchaser Group**" means a CP Conduit Purchaser Group or a Non-Conduit Purchaser Group.

"**Purchaser Group Increase Amount**" means, with respect to any Purchaser Group, for any Business Day, such Purchaser Group's Commitment Percentage of the Increase Amount, if any, on such Business Day.

"**Purchaser Group Principal Amount**" means, with respect to any Purchaser Group, (a) when used with respect to the Series 2017-1 Closing Date, such Purchaser Group's Commitment Percentage of the Series 2017-1 Initial Principal Amount; and (b) when used with respect to any other date, an amount equal to (i) the Purchaser Group Principal Amount with respect to such Purchaser Group on the immediately preceding Business Day; plus (ii) the Purchaser Group Increase Amount with respect to such Purchaser Group on such date; minus (iii) the amount of principal payments made to such Purchaser Group pursuant to Section 3.7(c) on such date. For the avoidance of doubt, (x) so long as any Purchaser Group has failed to fund any portion of its Purchaser Group Increase Amount with respect to any Increase Date (including any Delayed Amount), such unfunded amount shall not be included in the Purchaser Group Principal Amount for such Purchaser Group unless and until such amount has been funded (including by Funding any Delayed Funding Reimbursement Amount, if applicable), and (y) any Delayed Amounts funded on an Increase Date by a Non-Delayed Funding Purchaser Group shall be included in the Purchaser Group Principal Amount for such Non-Delayed Funding Purchaser Group until the related Delayed Funding Reimbursement Amount has been funded.

"**Purchaser Group Supplement**" is defined in Section 9.1(e).

"**Rating Agency Condition**" means, with respect to any action in respect of the Series 2017-1 Senior Notes subject to such condition, each of the CP Conduit Purchasers shall deliver written notice of the proposed action to the CP Conduit Rating Agencies at least 10 Business Days prior to the effective date of such action (or if 10 Business Days prior notice is impractical, such advance notice as is practicable) and the CP Conduit Rating Agencies (i) shall not have informed any CP Conduit Purchaser prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Commercial Paper of the CP Conduit Purchaser immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, when it is a CP Conduit Rating Agency, DBRS shall have informed each of the CP Conduit Purchasers in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating of any Commercial Paper of such CP Conduit Purchasers immediately before the taking of such action. For purposes of the Trust Indenture, this Supplemental Indenture and the Master Transfer and Servicing Agreement, the Indenture Trustee shall receive, and shall be entitled to rely on, a certificate of a CP Conduit Purchaser confirming the satisfaction of the Rating Agency Condition.

"**Refinancing Decrease**" is defined in Section 3.4(a).

"**Refinancing Increase**" is defined in Section 3.3(a).

"**Regulatory Change**" shall mean (i) the adoption after the date hereof of any applicable law, rule or regulation (including any applicable law, rule or regulation regarding capital adequacy, deposits, reserves or liquidity coverage) or any change therein after the date hereof, (ii) any change after the date hereof in the interpretation, administration, scope or timing of implementation thereof by any governmental authority, central bank, self-regulating professional

body or comparable agency or authority charged with the interpretation or administration thereof, or compliance with any guidance, request or directive (whether or not having the force of law) of any such authority, central bank, self-regulating professional body or comparable agency or authority; provided that for purposes of this definition, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof, and (y) all requests, rules, guidelines and directives (whether or not having the force of law) promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or Canadian or United States or other foreign regulatory authorities, shall in each case be deemed to be a "Regulatory Change", regardless of the date enacted, adopted, issued or implemented.

"**Related Non-Conduit Purchaser**" means, with respect to any Non-Conduit Purchaser Group, the Non-Conduit Purchaser that constitutes such Non-Conduit Purchaser Group.

"**Related Purchaser Group**" means, with respect to (a) any Funding Agent, the CP Conduit Purchaser identified next to such Funding Agent on Schedule E and the Group Bank identified on Schedule I next to such CP Conduit Purchaser or the CP Conduit Purchaser and Group Bank party to the Purchaser Group Supplement pursuant to which such Funding Agent became a party to this Supplemental Indenture; (b) any CP Conduit Purchaser, the CP Conduit Purchaser Group of which such CP Conduit Purchaser is a member; and (c) any Non-Conduit Purchaser, the Non-Conduit Purchaser Group that such Non-Conduit Purchaser constitutes.

"**Requisite Series 2017-1 Noteholders**" means Purchaser Groups having Commitment Percentages aggregating more than 50% (or if all Commitments have terminated, Purchaser Groups whose aggregate Purchaser Group Principal Amounts exceed 50% of the Series 2017-1 Principal Amount).

"**Scheduled Commitment Expiry Date**" means, ●, as such date may be extended in accordance with Section 3.5(c). [**NTD: two years out.]**

"**Series 2017-1 Cash Reserve Account**" is defined in Section 5.1.

"**Series 2017-1 Cash Reserve Required Amount**" means ●.

"**Series 2017-1 Closing Date**" is defined in Section 3.3(a).

"**Series 2017-1 Initial Principal Amount**" is defined in Section 3.3(a).

"**Series 2017-1 Maximum Principal Amount**" means, on any date of determination, the sum of the Maximum Purchaser Group Principal Amounts with respect to each of the Purchaser Groups on such date.

"**Series 2017-1 Noteholder**" means a Person in whose name a Series 2017-1 Senior Note is registered in the Note Register.

"**Series 2017-1 Principal Amount**" means, on any date of determination, the sum of the Purchaser Group Principal Amounts with respect to each of the Purchaser Groups on such date.

"**Series 2017-1 Principal Payment Due Date**" means ●. [**NTD: the date upon which the Series 2017-1 Senior Notes become due and payable – a date after May 1, 2021?**]

"**Series 2017-1 Principal Payment Default Date**" means ●. [**NTD: the "cure period" number of days after the Series 2017-1 Principal Payment Due Date when an Event of Default will occur if the Series 2017-1 Senior Notes are not paid in full.]**

"**Series 2017-1 Senior Note**" means any one of the Series 2017-1 Variable Funding Senior Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Exhibit B.

"**Standard & Poor's**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"**Supplemental Indenture**" means this Amended and Restated Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Support Facility**" shall mean any liquidity or credit support agreement with a CP Conduit Purchaser which relates to, or is otherwise available to such CP Conduit Purchaser in relation to its funding activities under, this Supplemental Indenture.

"**Taxes**" is defined in Section 3.10(a).

"**Termination Event**" means any Event of Default or any event which with the giving of notice or the passage of time, or both, could become an Event of Default.

"**Transfer Increase**" is defined in Section 3.3(a).

"**Transfer Supplement**" is defined in Section 9.1(c).

"**Transferee**" is defined in Section 9.1(g).

"**Trust Indenture**" means the trust indenture dated as of ●, 2017 between the Issuer and the Indenture Trustee, as amended or restated from time to time.

"**Write-Down and Conversion Powers**" shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SCHEDULE B

[FORM OF NOTE]

SERIES 2017-1 SENIOR NOTE

●

SCHEDULE C

FORM OF INCREASE NOTICE

●

SCHEDULE D

FORM OF DECREASE NOTICE

●

SCHEDULE E

PURCHASER GROUPS

From: Hanslep, Malle (MOF) [Malle.Hanslep@ontario.ca]
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
CC: Tobias P. Whitfield (MOF) [Tobias.Whitfield@ontario.ca]
Subject: FW: Fair Hydro -- Change of Law Assumption Agreement
Date: Wednesday, October 25, 2017 14:43:00
Attachment 1: image001.jpg
Attachment 2: 12917730-v1-Questions (Adherence Conditions).docx

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This will help with some background.

From: Whitfield, Tobias P. (MOF)
Sent: October 24, 2017 1:00 PM
To: Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Further to OPG's response to our proposals, please find attached a discussion document drafted by our outside legal counsel Stephen Ashbourne and based on discussions amongst our Provincial legal teams.

This document sets out a number of questions that we need to consider and answer in order to respond to OPG with the Province's position.

A meeting amongst this group would be useful to discuss these issues and to inform a response to OPG.

Best
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: October 18, 2017 9:53 AM
To: Whitfield, Tobias P. (MOF)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'; Mansoori, Nina
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby – further to discussions between OPG and the Province, please find attached comments on the draft proposal under the Change of Law Protection Agreement (blacklined to the draft circulated below). The attached reflects our comments from accounting, operational and financeability

perspectives. In particular, the financeability of the program will turn on whether there is a clear and concise way for investors to determine that an incurrence of funding obligations will be covered under the Change of Law Protection Agreement and that, once confirmed, the confirmation is irrevocable. Accordingly, we have proposed in the attached that a simple confirmation from OPG to a third party binds the Province in respect of the incurrence of the applicable funding obligations provided that OPG has satisfied the requirements of the approval process (which we propose be the subject of a separate procedures agreement or memo). Please note that the attached remains subject to the review of the working group including the dealers and the rating agencies.

Best Regards,
Nina

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: October-13-17 4:47 PM
To: Mansoori, Nina <nmansoori@torys.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com>
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Please find attached our comments on your response of October 6. We have moved the text of your email to the attached document and responded inline in square brackets for ease of review.

We recognize that we are running out of time, and that we should discuss and move this forward at the beginning of next week.

We also generally recognize that, although there are still some gaps in our respective approaches, we would find it helpful to have some more specific suggestions and comments on our Sept. 27 draft in order to help move this forward. This might include also the timing issues, with some indication of where, if OPG finds the timing does not work, some alternatives can be suggested for consideration.

Best
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: October 6, 2017 5:58 PM
To: Whitfield, Tobias P. (MOF)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,
Nina

Accounting Issues:
E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence
-that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt
-the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts)
-the negative pledge with respect to the exercise of certain options on the debt
-the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control

on the debt that no typical guarantor would have. Please also advise if the Province's accountants have reviewed the proposal.

Practical Issues:

- The procedural steps to bind the Province are lengthy and complicated. From our perspective, as drafted, OPG will likely have to seek Provincial approval on each debt issuance (which weakens the accounting as discussed above). The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself. Setting aside the mechanics of how we get there, the dealers want comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement. We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met. The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.
- In addition to the accounting concerns, the level of detail and frequency of reporting required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.

Drafting Issues:

- Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.
- We'd like to understand the reason OPG's management fees have been excluded. We assume you do not intend for OPG's reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? Please advise why taxes are being excluded?
- There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.
- We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: September-27-17 4:21 PM
To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Mansoori, Nina <nmansoori@torys.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LEE John

-TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Rima,

Further to our earlier conversations, please find attached our proposed process for confirmation of application of the Protection Agreement.

We would be happy to discuss further when you have had a chance to review.

Best
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: September 25, 2017 12:21 PM
To: 'STEPHEN.ASHBOURNE@blakes.com'; Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Good morning all, just following up on our email below. Please let us know when we should expect your feedback.

Many thanks,
Rima

Rima Ramchandani

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79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

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From: Ramchandani, Rima
Sent: September-19-17 9:55 PM
To: 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Fair Hydro -- Change of Law Assumption Agreement

Steve, Malle and Toby, further to our meeting the other day, set out below for your review is a proposal on the Provincial approval process under the Change of Law Assumption Agreement. Once we have your feedback on this, we will need to share it with Osler and the accountants and as John mentioned, we are under some time pressure to bring this to a resolution prior to the upcoming June 29 OPG Board meeting. We look forward to your comments, and feel free to reach out if you have any questions. -- Rima

Obligor Approval

The Change of Law Assumption Agreement will apply to all Specified Claims relating to Funding Obligations that are incurred by an Eligible Financing Entity in accordance with the Obligor's approval process. The definition of Specified Claims to be mutually agreed by all parties.

In order for a Financing Entity to become designated as an Eligible Financing Entity by the Obligor, prior to the initial issuance of Funding Obligations by such Financing Entity, the Obligor will be provided with copies of the following documents (collectively the "Program Documents") for review:

(i) the constating documents of such Financing Entity;
(ii) the management agreement between the Financing Entity and OPG;
(iii) the master transfer and servicing agreement between the Financing Entity and the IESO;
(iv) the master trust indenture governing the issuance of Funding Obligations by the Financing Entity;
(v) a form of supplemental indenture governing the issuance of bonds, issuable in series, by the Financing Entity;
(vi) a form of note purchase agreement or credit agreement governing the issuance of short term Funding Obligations by the Financing Entity;
(vii) a form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; and
(viii) such other documents as may be requested by the Obligor.

Once a Financing Entity is designated by the Obligor as an Eligible Financing Entity, it will not be necessary for the Obligor to approve the documentation related to specific issuances of Funding Obligations; however, OPG will be expected to notify the Obligor of any new material program documentation or any material amendments to existing program documentation before such new

documentation or amendments become effective. The failure of OPG to provide any such notice will not invalidate the application of the Change of Law Assumption Agreement to any Specified Claims.

It will not be necessary for the Obligor to approve each new issuance of Funding Obligations provided that such Funding Obligations are issued in accordance with following:

(1) The Funding Obligations are issued in accordance with agreements that contain: (a) covenants of the Eligible Financing Entity that are no more onerous in any material respect and (b) events of default that are consistent in all material respects, respectively, with the covenants of the Eligible Financing Entity and events of default contained in the draft Program Documents.

(2) At least [30 days] prior to the initial issuance of Funding Obligations by an Eligible Financing Entity, OPG will provide the Obligor with a forecast of the principal amount and expected term of the Funding Obligations that OPG expects such Eligible Financing Entity to issue in accordance with the Financing Plan in the next two years (a "Two Year Forecast"). The execution of the Change of Law Assumption Agreement in respect of such Eligible Financing Entity shall constitute the Obligor's approval of the issuance of Funding Obligations by such Eligible Financing Entity in accordance with the Two Year Forecast.

(3) OPG shall provide the Obligor with an updated Two Year Forecast between 9 and 12 months prior to the expiry of each current Two Year Forecast.

(4) Unless the Obligor provides OPG with a written notice no later than 3 months prior to the date following receipt of the current Two Year Forecast that the Change of Law Assumption Agreement will be inapplicable with respect to new Funding Obligations incurred following the expiry of the current Two Year Forecast, the Obligor will be deemed to approve the application of the Change of Law Assumption Agreement to all Funding Obligations incurred up to the expiry of the new Two Year Forecast.

At the time of issuance of Funding Obligations by an Eligible Financing Entity, the Financing Entity will provide (i) any required certifications to the underwriters/agents that such Funding Obligations are covered by the Change of Law Assumption Agreement; and (ii) notice to the Obligor of the material terms of the Funding Obligations issued, together with electronic copies of the final executed Program Documents.

P. 416.865.7666

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TORYS
LLP

Confidential legal advice subject to solicitor-client privilege

October 23, 2017

Questions for MOE and OFA to consider regarding OPG's Proposed Adherence Terms

A. Scope of Province's Obligations under the Change of Law Protection Agreement (**CLPA**)

1. On a Protection Event, should the Province become responsible for the payment of taxes (if any) owing by the Financing Entity?

2. On a Protection Event, should the Province become liable to pay amounts owing by the Financing Entity to OPG (e.g., FSM fees and expenses)?

3. On a Protection Event, should all available funds (e.g., funds accumulated in sinking funds) be immediately applied to reduce the amount that the Province would be liable for under the CLPA?

4. Should the Province set a "Protection Agreement Maximum" (previously called the "Program Maximum") that measures and relates only to "principal amounts"? In other words, should the limitation be tied only to principal obligations, while the Province's actual obligations would automatically extend, without specific quantum limits, to the other payment obligations under "funding obligations" (e.g., interest, swaps, standby liquidity commitment fees, servicer fees and expenses)?

5. Is the Province comfortable guaranteeing contingent obligations (e.g., indemnity obligations) of the Financing Entity? If so, should the Province require that such contingent obligations be "capped" within the funding obligation itself or should the exposure of the Province be otherwise limited under the CLPA?

6. Should the Province be required to deposit funds to meet sinking fund or collateral deposits (i.e., deposit obligations incorporated in the financing structure on the basis that the "clean energy" cash flows will service the obligations, rather than the Province), notwithstanding that the Province would have become primarily liable for payment obligations under the CLPA?

B. Adhesion

7. Is the Province okay splitting the maximum exposure limitations and "process-related" matters (see below) into a separate agreement - away from the terms of the agreement under which the Province's payment obligations would bind the Province opposite the Indenture Trustee? OPG proposes this in order to keep the optics of the CLPA as simple and straightforward as possible. In other words, is the Province prepared to leave all of the important details regarding what OPG is supposed to do before incurring an obligation that binds the Province to a side agreement with OPG, that is opaque to the Indenture Trustee and Underwriters at the time a funding obligation is incurred and not requiring any third party to have notice or regard to the Province's requirements?

8. OPG proposes that delivery of an officers' certificate to a third party, in OPG's capacity as FSM, will in and of itself bind the Province under the CLPA. That certificate would simply indicate that the Province is bound under the CLPA with respect to the specified funding obligation. It would not be addressed to the Province (although a pre-closing certificate is contemplated to be delivered to the Province) and the "Protection Agreement Maximum" concept would not be incorporated as a specific condition (other

than to the extent that OPG is bound to the Province under the side agreement with the Province). Is this acceptable to the Province? Does this raise any governance/authority issues for the Province (e.g., limit on incurrence needing to be specifically confirmed at closing? scope of permitted delegation to bind? FAA compliance?)

C. "Protection Agreement Maximum" (formerly "Program Maximum" (**PAM**)

9. OPG proposes that the PAM will be determined based on a mechanical calculation and without any real discretion on the part of the Province to set or object to the PAM. Is this acceptable to the Province?

10. OPG's proposed mechanical process to determine PAM would be based on OPG's 24 month forecast (estimate) of payments to be made by the Financing Entity. So long as that forecast (and any refresh) is consistent with the "Financing Plan" (also prepared by OPG) and is "reasonably expected to align with the fair allocation amount", the Province will be required to accept the PAM based on OPG's forecast – i.e., no discretion to reject or modify the aggregate amount of the Province's commitment initially or from time to time. Is the Province prepared to tie its CLPA obligation automatically to the operation of the OFHPA in this way, without review and with perpetual effect?

11. Is the proposed mechanical link to the OFHPA calculations consistent with the OIC or other governance requirements applicable to the Province's authority to approve the CLPA?

12. Is the initial 24 month forecast period appropriate (e.g., 2.5B x 2 – large)? Is OPG's proposed refresh of the PAM (mechanically tied to the new forecast), 9 to 12 months prior to the end of the 24 month forecast period, appropriate?

D. "Process-Related" Matters

13. Assuming the Province is okay with the arrangements described in question 7, above, we would envision a mechanism where the Province could give the Indenture Trustee notice of a breach (if known) by OPG of the PAM or process-related side agreement, and that such a notice would have the effect of cutting off the application of the CLPA for any future incurrences unless the Province further agrees otherwise. Does the Province agree that this sort of failsafe is essential? Note that OPG's suggestion has been that no pre-incurrence non-adherence/failsafe provision be provided, in order to allow the Province to provide notice that the CLPA will not apply to a pending/proposed incurrence.

14. Does the Province need to contemplate other scenarios where the CLPA would become ineffective in respect of future incurrences, such as:

    a. an OPG change of control

    b. a policy-based determination by a future government

    c. an unanticipated circumstance, such as the incurrence by the Financing Entity of assessed tax liabilities, indemnity payments, "increased costs", rating downgrades, offering disclosure-based claims, defaults under the program,

insolvency of a major counterparty (e.g., swap counterparty or services provider), etc.

d. a discretionary circumstance where the Province decides it no longer wishes to be liable under the CLPA?

We expect that OPG would push back so that any suspension of new obligations by the Province would not hamper OPG's ability to complete an anticipated/needed refinancing.

15. Does the Province have any reservations about letting OPG at any time provide a binding certificate to third parties regarding adherence, which would be determinative of the Province's obligations. What conditions for this sort of certificate would make sense (e.g., preview and consent by the Province)? Does this proposal raise any governance/authority issues for the Province (e.g., scope of delegation; FAA compliance)?

16. If the Province is prepared to be liable for taxes owing by the Financing Entity (see question 1, above), what oversight, assurances, documentation and reporting regarding the potential for entity-level taxes should the Province require (if any)?

17. OPG is proposing that the Province will receive a certificate prior to the Financing Entity incurring a funding obligation, that sets out "the material terms of the funding obligations pertaining to the principal amount, pricing and third party fees". Is that a sufficient amount of detail, or would the Province like to specifically itemize its information expectations, to cover things such as:

    a. details respecting any principal obligation, such as:

        i. the amount, timing and conditions of repayments (including any redemption or extension rights)

        ii. the basis for OPG's expectations regarding the availability of any related refinancings

        iii. any required deposits to be made into a capital account or a finance reserve account in order to provide for payment of the principal obligation

        iv. the rating (if any) contemplated to be attributed to the principal repayment of the funding obligation

        v. details respecting any redemption rights, including the nature and conditions applicable to any exercise and OPG's expected basis for determining whether or not to exercise a redemption right, option or privilege;

    b. details respecting interest obligations, such as:

        i. the anticipated interest or discount rate or rates (including default rates)

        ii. the timing/frequency/conditions of coupon payments

iii. any required deposits to be made into a finance reserve account or supplemental account

iv. the availability of any funding rebates in order to provide for payment of interest

v. the rating (if any) contemplated to be attributed to the interest obligation;

c. details respecting any hedging obligation (e.g., interest or FX swaps, options or other derivatives), such as:

i. the name of the counterparty and credit details

ii. the credit ratings (if any) of the payor(s)

iii. the risks sought to be mitigated by the derivative

iv. anticipated circumstances (if any) in which the derivative may not achieve such mitigation or be subject to early termination

v. whether collateral posting requirements will apply;

d. details respecting other funding obligations, such as:

i. the payee

ii. the timing and any conditions of payments

iii. any required deposits to be made into a finance reserve account or supplemental account or the availability of any funding rebates in order to provide for payment of such obligations

iv. in the case of a contingent obligation (e.g., indemnities), the nature and extent of any contingency affecting the payment obligation, the circumstances in which a payment obligation may arise and any specified maximum claim amount

e. assuming that the Province would be liable for capital, reserve or supplementary account deposit obligations (see question 6, above), details respecting the schedule for such deposits and the conditions for the application of such amounts to pay such amounts and the related priorities for application.

18. OPG (and presumably OPG's accountants) is contemplating that the Province will be provided transaction documentation "in substantially final form" and that the Province will not be entitled to provide input "other than in its capacity as obligor under the [CLPA]". In other words, assuming that the CLPA is signed in advance, the Province will have no real opportunity to comment on the forms of transaction documents to be used, and will

have a limited opportunity to "not accept" [1] the documentation. Can the Province live with these limitations?

19. The proposed OPG certificate (pre-incurrence) would include an attestation by OPG regarding the use of pre-reviewed documentation. The test for conformity of the to-be-used documentation, compared to the pre-reviewed documentation, would focus only on whether "the covenants of the Financing Entity are no more onerous in any material respect" and that the "events of default" are consistent "in all material respects". Is the limited scope of this conformity test acceptable, or should it be broadened and cover specific items such as:

    a. no differences in the timing of or circumstances under which payments are or may become due (for example, as a result of any termination, wind-up, liquidation or realization)

    b. no differences that could affect the Province's rights of subrogation or interests as a subrogee

    c. with respect to the anticipated form of series specific documents (as opposed to the upfront terms of program-wide "master" documents), confirming that the variable terms set forth in the proposed documents are as reasonably contemplated in the reviewed forms, having regard to such matters as:

        i. the type of instrument to be issued (i.e., debt (bullet vs. amortizing), equity-linked, pass-through instruments, etc.)

        ii. the scope of the related obligations (e.g., redemption or extension features or other optionality)

        iii. the extent of the related obligations (e.g., limited recourse features, limitations on indemnities, etc.)

        iv. the timing, conditions and circumstances in which payment obligations may arise,

    but making it clear that conformity would not include a comparison to the particular financial terms, rates, levels and parameters of the obligations other than if the reviewed forms specify specific requirements, limitations or parameters.

20. How much time is sufficient for the Province:

    a. to do an initial review of the main transaction documentation (including forms of series-specific documents), which would set the acceptable pattern for future

---

[1] Note that the proposed OPG language is not crystal clear that the Province can reject the reviewed documentation, which we expect is merely drafting, but that will need to be confirmed assuming the Province wishes to work within the OPG/Tory mark-up.

issuances? The proposal is 15 BDs, although that does not seem to make sense given that OPG proposes that the Province must confirm acceptance of the terms within 15 BDs of receipt of the documentation

b. to do a review of any changes to the main transaction documentation (including forms of series-specific documents), which would reset the acceptable pattern for future issuances? The proposal is to receive proposed amendments at least 15 BDs prior to first use, and the Province would confirm acceptance of the terms within 15 BDs of receipt of the documentation

c. to review applicable details of a proposed funding obligation in advance of an incurrence (proposal is 10BDs)?

21. What other items should be incorporated into the timeline from the Province's perspective?

E. Information, Reporting and Other Covenants

22. OPG proposes to provide the Province with an applicable "Financing Plan" only after an incurrence. Does the Province need to see this document as it is issued and changed, rather than only after the time of an incurrence?

23. OPG proposes to provide the Province with any actual offering/disclosure documents only after it is used. Does the Province need to have input into offering/disclosure document before use or dissemination (e.g., the description of the CLPA)?

24. OPG has limited its negative covenant on elections by the Financing Entity following a Protection Event to actions that would accelerate obligations. Should this be broader to cover extensions or other consensual changes that could affect the obligations (e.g., creditor concessions).

F. Parties

25. Will it be sufficient for the CLPA (and any procedural side-letter) to be signed by OPG, acting solely in its capacity as "financial services manager" (i.e., with OPG's liability being limited by the terms of the related management or administrative agreement)? How does this interplay with any other indemnities or exculpatory provisions that the Province is anticipating for OPG (corporate) and its officers?

26. Who from OPG should sign the officer's certificate? The OPG proposal is 2 "executive officers".

27. OPG proposes that a failure to comply with the PAM or "approval process" will not result in any breach. Assuming that OPG is in fact proposing that its failure would have no consequences, including as between the Province and OPG whatsoever, are the process aspects of the OPG proposal even meaningful to the Province?

From: Lisa Stein
To: Sarah Harris; William Tan
Subject: FW: A quick note
Date: Friday, November 03, 2017 9:29:04 AM

Is this reasonable from an operational perspective? If so, I'll add it to the latest draft.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, November 02, 2017 4:47 PM
To: Lisa Stein ; Sarah Harris ; Anthony Martinello
Cc: William Tan ; John Kim ; Gavin He
Subject: RE: A quick note

I forgot to add the sentence about the exchange of documentation that I mentioned on the call. If acceptable, could you please add the following sentence as a new section 15 and make the existing s.15 into s.16.

15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.

Thanks
Victor

From: Victor Buza
Sent: November 02, 2017 4:26 PM
To: 'Lisa Stein'; Sarah Harris; Anthony Martinello
Cc: William Tan; John Kim; Gavin He
Subject: RE: A quick note

Sorry for the delay – please see attached.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 02, 2017 4:13 PM
To: Sarah Harris; Victor Buza; Anthony Martinello
Cc: William Tan; John Kim; Gavin He
Subject: RE: A quick note

We will need to add counterpart language to AA#10 as well.

From: Sarah Harris
Sent: Thursday, November 02, 2017 4:11 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: A quick note

Hi Victor and Anthony,

Just a quick note to let you know that Lisa and I both must leave at 5 p.m. today. If we're able receive any draft language soon enough before then, we will take a look and try to revert before then. If not, we'll have to do it first thing in the morning.

Also, if you could please let us know if IESO has received the intercept letter for signature, that would be great. Given the time factor, and once the Intercept Letter is fully executed, it looks like we will be then be signing the two agreements in counterparts (with IESO signing first and sending .pdf's to the OFA).

Thanks,

Sarah Harris
Manager, Operations
Capital Markets Division
Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, ON M7A 1Y7
416-325-8193
sarah.harris@ofina.on.ca

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From: William Tan
To: Sarah Harris
Subject: FW: Amending Agreement No. 10 + Mike signing authority
Date: Tuesday, September 05, 2017 4:22:32 PM

Draft email.

Hello Anthony and Victor,

We ask for the following ahead of the anticipated signed directive, so that we can have signed-off versions agreed upon and ready to be executed as soon as the directive is signed.

FHP Credit Facility Agreement (2 originals, partially executed)

Amending Agreement No. 10, (2 originals, partially executed)

Certificate of Incumbency and Resolution of Board of Directors (1 original)

1. Provide us with the executed copy pdf + word (before signature).
2. OFA agrees execution copy version.
3. FHP Credit Facility Agreements + Amending Agreements No. 10 and Certificate of Incumbency and Resolution of Board of Directors by messenger.
4. We will return one fully executed version.

Thanks,

Will

From: Sarah Harris
Sent: Tuesday, September 05, 2017 3:15 PM
To: William Tan
Subject: RE: Amending Agreement No. 10 + Mike signing authority

Thank you, Will. Could you please let IESO that we would be requesting them to send us .pdf's of the execution versions so we can have signed-off versions agreed upon and ready to be executed as soon as the directive is signed. We would ask IESO to sign to copies of each agreement, and send them to us for execution. We would then have Mike sign all drafts and send one set of fully executed docs to IESO

Thanks,

Sarah

From: William Tan
Sent: Tuesday, September 05, 2017 3:02 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: Amending Agreement No. 10 + Mike signing authority

Hello,

Attached is the IESO sign-off on the August 18, version of Amending Agreement No. 10. We expect minimal comments coming back.

Also, attached is Mike Manning's Designation of Authorized Signatory. According to 1. a) Mike is allowed to sign loan agreements.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346

william.tan@ofina.on.ca
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To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: Amending Agreement No. 10 + Mike signing authority

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william.tan@ofina.on.ca
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From:	William Tan
To:	Sarah Harris
Subject:	FW: Conversation with Alfonso Soriano
Date:	Wednesday, November 01, 2017 9:23:37 AM

From: William Tan [mailto:william.tan@ofina.on.ca]
Sent: Monday, October 30, 2017 11:38 AM
To: Alfonso Soriano ; William Tan
Subject: Conversation with Alfonso Soriano

William Tan 10:53 AM:

good morning Alfonso,

Alfonso Soriano 10:54 AM:

hello

William Tan 10:54 AM:

are you in the office today?

Alfonso Soriano 10:55 AM:

no. I'm teleworking

William Tan 10:55 AM:

question for you.

Re: IESO.

For the $840mm+new advance under the exisiting credit facility $975mm.

IESO intends to move the majority of this balance into the $2B credit facility.

they intend do not intend to repay the $840mm first. They wish to do this on a net basis.

Do you have any issues with this?

Do you require any additional documentation aside from the Borrowing and Election Notices?

Alfonso Soriano 11:04 AM:

Has this been discussed with other unit?

William Tan 11:05 AM:

not yet. I plan to discuss this with John Psina, Risa and Carlos after i speak with you.

Alfonso Soriano 11:05 AM:

My concern is limited to cash flows. There may be other considerations. Accounting may prefer a clear trail, etc.

I think having all of us meet together about this would be a good idea.

William Tan 11:07 AM:

IESO share this with me this morning.

-issue a rollover notice for $2B facility to say the $825M is being rolled over – note that I

will need to borrow another approx. $225M too

William Tan 11:10 AM:

Let me bring up the meeting idea with Sarah.

Do you have any other concerns?

Alfonso Soriano 11:11 AM:

We need to be able to track the $1.1 B cash flow separately

William Tan 11:14 AM:

Is it possible that you discuss this with John/George first? After if the two areas require more information then we'll revisit the conference call?

I can provide John Psinas the details i just share with you.

Alfonso Soriano 11:17 AM:

okay. thanks.

William Tan 11:22 AM:

Thanks Alfonso, i'll contact John now.

Sorry, looks like John is offline.

William Tan 11:33 AM:

John Psinas is returning Thursday Nov 2

From:	William Tan
To:	"Victor Buza"
Cc:	Sarah Harris; Lisa Stein; Anthony Martinello
Subject:	FW: Draft Amending Agreement No. 10
Date:	Monday, September 11, 2017 3:03:35 PM
Attachments:	OFA IESO Amending Agreement No 10 OFA Sep10.docx OFA IESO Amending Agreement No 10 (clean & blackline).docx

---

Hello Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 4:30 PM

To: Sarah Harris

Cc: Lisa Stein ; Caroline Swerdlyk ; Anthony Martinello ; William Tan

Subject: RE: Draft Amending Agreement No. 10

Hi Sarah and Lisa – per our email exchanges earlier this afternoon, see comments/ minor fixes in the attached.

I accepted the changes and removed the comments from the version that Will sent yesterday in the preceding email, so any comments or changes remaining are new.

Regards,

Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 07, 2017 3:40 PM
To: Victor Buza; Anthony Martinello
Cc: Lisa Stein; Sarah Harris; Caroline Swerdlyk
Subject: FW: Draft Amending Agreement No. 10

Hello Victor,

As discussed, the extension date of the existing $475 million Revolving Credit Facility to align with the FHP Revolving Credit Facility will be deferred to a future amended and restated agreement. We have included minor edits. Please review and comment.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Wednesday, September 06, 2017 4:16 PM

To: William Tan <William.Tan@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Draft Amending Agreement No. 10

Hi Will – we have reviewed OFA's draft of Amendment #10 and only have a very few comments, which I have inserted in the attached for your review/consideration, mostly just addressing drafting inconsistencies and the like.

The one substantive proposal we would make is that the termination date for this $475MM revolving loan be extended beyond the current end-date of December 31, 2019 (as stipulated in Amending Agreement #9) to be aligned with the end-date of the FHP Credit Agreement which is

September 30 2022. If agreed, it would require minor amendments to sections 2.4 and 5.1(b) of the Agreement. FYI, such a change would be within the scope of the authorization provided by IESO's board resolution.

Let us know your thoughts on this.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 31, 2017 4:33 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.
Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,
Do you mind giving me a call when you have a moment?
Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.
And, please send over draft Amendment #10 for our review.
Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,
We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.
Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.
Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?
Thanks,
Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan

<William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,

Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.

You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).

It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.

I assume there is an internal OFA grid document which provides each advance as segregate rows.

Victor and I are reviewing today's draft.

Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

Ontario
LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the ~~grid promissory note~~Grid Note~~e~~ (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such Advances~~advances~~ and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

Commented [WT1]: Amended as per Victor's comment.

Commented [WT2]: Amended as per Victor's comment.

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A3]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Commented [VB4]: Change of reference

Commented [WT5R4]: Amended as per comment.

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per~~By~~: _____

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Formatted: Right: -0.55"

Name:
Authorized Signatory

Commented [WT6]: Consistent with Schedule 1 & 2 formate and FHP.

Commented [WT7]: Removed Excel grid lines.

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the ~~grid promissory note~~Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) ~~the outstanding principal amount of the Grid Note.~~Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

Commented [VB1]: See comment on similar FHP language and make consistent between documents.

Commented [VB2]: Same as "Advances Outstanding"?? Or is this different?

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

Commented [VB3]: Leave as is

Commented [A4]: As of August 21, 2017. IESO to confirm.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY	**INDEPENDENT ELECTRICITY SYSTEM OPERATOR**
Per: _____ Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Per: _____ Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

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SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Commented [VB5]: Change of reference

Commented [WT6R5]: Amended as per comment.

Commented [VB7]: Change of reference

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (th **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place o business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of th Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

~~**By:**~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Per: _____

Name:

Authorized Signatory

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Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

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From: William Tan
To: Sarah Harris
Subject: FW: Draft Amending Agreement No. 10
Date: Wednesday, September 06, 2017 4:44:23 PM

Fyi,
I spoke to John Kim with regards to the potential extension of the existing $475mm credit facility from Dec 31, 2019 to Sept 30, 2022. He is fine that I forward it to Shajee to handle while Bruno is away.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, September 06, 2017 4:16 PM
To: William Tan
Cc: Sarah Harris ; Sarah Neville ; Caroline Swerdlyk ; Lisa Stein ; Anthony Martinello
Subject: RE: Draft Amending Agreement No. 10

Hi Will – we have reviewed OFA's draft of Amendment #10 and only have a very few comments, which I have inserted in the attached for your review/consideration, mostly just addressing drafting inconsistencies and the like.

The one substantive proposal we would make is that the termination date for this $475MM revolving loan be extended beyond the current end-date of December 31, 2019 (as stipulated in Amending Agreement #9) to be aligned with the end-date of the FHP Credit Agreement which is September 30 2022. If agreed, it would require minor amendments to sections 2.4 and 5.1(b) of the Agreement. FYI, such a change would be within the scope of the authorization provided by IESO's board resolution.

Let us know your thoughts on this.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 31, 2017 4:33 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).
Please review and comment.
Thanks,
Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,
I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.
As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.
Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,
Do you mind giving me a call when you have a moment?
Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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---

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.
And, please send over draft Amendment #10 for our review.

Regards.

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Hello Anthony,

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Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.

Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?

Thanks,

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Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
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Subject: FW: IESO Grid Notes

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You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).

It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.

I assume there is an internal OFA grid document which provides each advance as segregate rows.

Victor and I are reviewing today's draft.

Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

Ontario
LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

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Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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Capital Markets Division | Ontario Financing Authority
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william.tan@ofina.on.ca

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I assume there is an internal OFA grid document which provides each advance as segregate rows.

Victor and I are reviewing today's draft.

Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

Ontario
LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

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From:	William Tan
To:	Caroline Swerdlyk
Cc:	Sarah Neville; Sarah Harris; Lisa Stein
Subject:	FW: Draft Amending Agreement No. 10
Date:	Thursday, August 31, 2017 2:25:34 PM
Attachments:	OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18 (markup).docx

Hello Caroline,

I have spoken to Anthony and he has requested to update the existing credit facility agreement ($975 million down to $475 million) to have the same option to roll-over principle and interest. Risa Thau had no concerns from an accounting and operational standpoint. Mike Manning and James Devine also had no concerns from a Capital Markets perspective. Please include the language in the Amending Agreement No. 10 to reflect this.

I have updated the Grid note be appear the same as the FHP Grid Note. I have reviewed you're changes to the Amending Agreement No. 10 and have no other comments.

Thanks,

Will

From: Caroline Swerdlyk
Sent: Thursday, August 31, 2017 11:58 AM
To: William Tan ; Sarah Harris
Cc: Sarah Neville
Subject: Draft Amending Agreement No. 10

Hello,

Please find attached draft changes to Amending Agreement No. 10. I worked from the document that Will emailed to the IESO on August 18 at 3:18pm which Lisa shared with me. Please let me know if you have any comments/questions/changes or would like to discuss.

This draft updates all of the Schedules to the Agreement. We also thought it would be prudent to align the language in the related sections of the Agreement. If you are forwarding this to the IESO, please let them know that this is the reason for the scope of the changes that have been included.

I also wanted to flag that Mike Manning's new title should be used on any documents that he signs (Executive Director & Chief Investment Officer).

Thanks,

Caroline

Caroline Swerdlyk
Legal Counsel
ext. 5-8141

Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~August, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**~~"~~IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of the IESO, and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; ~~and~~ (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

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"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

~~1.~~2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42[**Insert amount outstanding as of date of execution**].~~

Commented [A1]: Moved to the end to allow schedule references to remain consistent with Credit Agreement

~~3. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.~~

3. The following definitions are added to Section 1.1 of the Agreement

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(4), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

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(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest

for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance (the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the principal amount of the proposed Continued Advance; (c) the total amount of accrued and outstanding interest on the Advance to be paid, and the amount of principal (if any) to be repaid, by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The total amount of accrued and outstanding interest on the Advance and any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

Commented [A2]: Note: this is new and the rest of the subsection is in the current agreement. Change is made to clarify that interest is repayable on the Repayment Date and only principle amount can be rolled over

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A3]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Pparties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, ~~_____~~Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED FORM OF GRID NOTE~~ FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

Commented [A4]: Changed "aggregate" to "principal". This is the only substantive change to this form.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of the principal amount an Advance or a Continued Advance, as the case may be, and in connection with such election, sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The principal amount of the proposed Continued Advance is $_____;

(c) (i) The IESO will pay on the Current Repayment Date all accrued and outstanding interest on the Advance in the amount of: $_____;

(ii) The IESO will pay on the Current Repayment Date principal in the amount of: $_____; [being any portion of the Advance not continued for a further period in accordance with this Notice]

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

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Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

~~**[NTD – TO BE UPDATED AT EXECUTION]**~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016		31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016		30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016		33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016		30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017		30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017		32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017		28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017		34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017		29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

From:	William Tan
To:	Caroline Swerdlyk
Cc:	Sarah Neville; Sarah Harris; Lisa Stein
Subject:	FW: Draft Amending Agreement No. 10
Date:	Thursday, August 31, 2017 2:25:34 PM
Attachments:	OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18 (markup).docx

Hello Caroline,

I have spoken to Anthony and he has requested to update the existing credit facility agreement ($975 million down to $475 million) to have the same option to roll-over principle and interest. Risa Thau had no concerns from an accounting and operational standpoint. Mike Manning and James Devine also had no concerns from a Capital Markets perspective. Please include the language in the Amending Agreement No. 10 to reflect this.

I have updated the Grid note be appear the same as the FHP Grid Note. I have reviewed you're changes to the Amending Agreement No. 10 and have no other comments.

Thanks,

Will

From: Caroline Swerdlyk
Sent: Thursday, August 31, 2017 11:58 AM
To: William Tan ; Sarah Harris
Cc: Sarah Neville
Subject: Draft Amending Agreement No. 10

Hello,

Please find attached draft changes to Amending Agreement No. 10. I worked from the document that Will emailed to the IESO on August 18 at 3:18pm which Lisa shared with me. Please let me know if you have any comments/questions/changes or would like to discuss.

This draft updates all of the Schedules to the Agreement. We also thought it would be prudent to align the language in the related sections of the Agreement. If you are forwarding this to the IESO, please let them know that this is the reason for the scope of the changes that have been included.

I also wanted to flag that Mike Manning's new title should be used on any documents that he signs (Executive Director & Chief Investment Officer).

Thanks,

Caroline

Caroline Swerdlyk
Legal Counsel
ext. 5-8141

Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~August, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**~~"~~IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of the IESO, and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; ~~and~~ (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

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"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

~~1.~~2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42[**Insert amount outstanding as of date of execution**].~~

Commented [A1]: Moved to the end to allow schedule references to remain consistent with Credit Agreement

~~3. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.~~

3. The following definitions are added to Section 1.1 of the Agreement

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(4), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

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(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest

for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance (the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the principal amount of the proposed Continued Advance; (c) the total amount of accrued and outstanding interest on the Advance to be paid, and the amount of principal (if any) to be repaid, by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The total amount of accrued and outstanding interest on the Advance and any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

Commented [A2]: Note: this is new and the rest of the subsection is in the current agreement. Change is made to clarify that interest is repayable on the Repayment Date and only principle amount can be rolled over

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A3]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Pparties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, ~~_____~~Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED FORM OF GRID NOTE~~ FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

Commented [A4]: Changed "aggregate" to "principal". This is the only substantive change to this form.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of the principal amount an Advance or a Continued Advance, as the case may be, and in connection with such election, sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The principal amount of the proposed Continued Advance is $_____;

(c) (i) The IESO will pay on the Current Repayment Date all accrued and outstanding interest on the Advance in the amount of: $_____;

(ii) The IESO will pay on the Current Repayment Date principal in the amount of: $_____; [being any portion of the Advance not continued for a further period in accordance with this Notice]

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

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Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

~~**[NTD – TO BE UPDATED AT EXECUTION]**~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016		31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016		30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016		33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016		30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017		30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017		32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017		28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017		34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017		29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

From:	William Tan
To:	"Victor Buza"; Anthony Martinello
Cc:	Lisa Stein; Sarah Harris; Caroline Swerdlyk
Subject:	FW: Draft Amending Agreement No. 10
Date:	Thursday, September 07, 2017 3:39:44 PM
Attachments:	OFA IESO Amending Agreement No 10 OFA Markup Sep7.docx

Hello Victor,

As discussed, the extension date of the existing $475 million Revolving Credit Facility to align with the FHP Revolving Credit Facility will be deferred to a future amended and restated agreement. We have included minor edits. Please review and comment.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, September 06, 2017 4:16 PM
To: William Tan
Cc: Sarah Harris ; Sarah Neville ; Caroline Swerdlyk ; Lisa Stein ; Anthony Martinello
Subject: RE: Draft Amending Agreement No. 10

Hi Will – we have reviewed OFA's draft of Amendment #10 and only have a very few comments, which I have inserted in the attached for your review/consideration, mostly just addressing drafting inconsistencies and the like.

The one substantive proposal we would make is that the termination date for this $475MM revolving loan be extended beyond the current end-date of December 31, 2019 (as stipulated in Amending Agreement #9) to be aligned with the end-date of the FHP Credit Agreement which is September 30 2022. If agreed, it would require minor amendments to sections 2.4 and 5.1(b) of the Agreement. FYI, such a change would be within the scope of the authorization provided by IESO's board resolution.

Let us know your thoughts on this.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 31, 2017 4:33 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).
Please review and comment.
Thanks,
Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,
I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.
As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.
Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,
Do you mind giving me a call when you have a moment?
Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca
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---

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>

Subject: RE: IESO Grid Notes

Yes.

And, please send over draft Amendment #10 for our review.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,

We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.

Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.

Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,

Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.

You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).

It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.

I assume there is an internal OFA grid document which provides each advance as segregate rows.

Victor and I are reviewing today's draft.

Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

Ontario

LeRoy Ahyee

Settlements Officer | Ontario Financing Authority

This e-mail message and any files transmitted with it are intended only for the named

recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note"**). The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the ~~grid promissory note~~Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

Commented [VB1]: NOTE – consider changing ultimate repayment date to later than December 31, 2019 to align with FHP dates.

Commented [WT2R1]: Discussion with Victor to update this in a future restated agreement.

Formatted: Font: Bold

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid ~~or re-paid~~ by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form ~~of the grid note~~ attached hereto as Schedule 3 (the **"Grid Note")** and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new ~~grid promissory note~~Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

Commented [WT3]: Victor, – Is this deletion more accurate? The original language is consistent with the draft FHP credit facility agreement

Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Commented [A4]: As of August 21, 2017. IESO to confirm.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

~~**Election Notice**~~**I. ELECTION NOTICE**

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

~~Borrowing Notice~~**II. BORROWING NOTICE [to be included if applicable]**

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid ~~(the **"Grid"**)~~ attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the ~~grid promissory note~~Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note ~~Note~~ together with all interest accrued thereon shall become due and payable as specified in the c~~C~~redit a~~A~~greement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). ~~All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.~~

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Commented [VB5]: The term "Note" is not defined in the Agreement as far as I can tell, having checked all amendments. It occurs 6 times on this page. In the 2nd para, the term "grid promissory note" is also used and means the same thing. These should be consistent. "Note" should be defined, or we could use "Grid Note" throughout, but again it's preferable for it to be defined in some manner.

Commented [LS6]: "Grid Note" now defined in s. 3.2 of Credit Agreement.

Commented [VB7]: The original 2005 agreement is not defined as or entitled "Credit Agreement", so this occurrence should be lower case.

Commented [WT8R7]: agreed

Commented [LS9]: "Grid Note" now defined in s. 3.2 of Credit Agreement.

By:_____

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	"Victor Buza"; Anthony Martinello
Cc:	Lisa Stein; Sarah Harris; Caroline Swerdlyk
Subject:	FW: Draft Amending Agreement No. 10
Date:	Thursday, September 07, 2017 3:39:44 PM
Attachments:	OFA IESO Amending Agreement No 10 OFA Markup Sep7.docx

Hello Victor,

As discussed, the extension date of the existing $475 million Revolving Credit Facility to align with the FHP Revolving Credit Facility will be deferred to a future amended and restated agreement. We have included minor edits. Please review and comment.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, September 06, 2017 4:16 PM
To: William Tan
Cc: Sarah Harris ; Sarah Neville ; Caroline Swerdlyk ; Lisa Stein ; Anthony Martinello
Subject: RE: Draft Amending Agreement No. 10

Hi Will – we have reviewed OFA's draft of Amendment #10 and only have a very few comments, which I have inserted in the attached for your review/consideration, mostly just addressing drafting inconsistencies and the like.

The one substantive proposal we would make is that the termination date for this $475MM revolving loan be extended beyond the current end-date of December 31, 2019 (as stipulated in Amending Agreement #9) to be aligned with the end-date of the FHP Credit Agreement which is September 30 2022. If agreed, it would require minor amendments to sections 2.4 and 5.1(b) of the Agreement. FYI, such a change would be within the scope of the authorization provided by IESO's board resolution.

Let us know your thoughts on this.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 31, 2017 4:33 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).
Please review and comment.
Thanks,
Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,
I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.
As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.
Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,
Do you mind giving me a call when you have a moment?
Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca
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---

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>

Subject: RE: IESO Grid Notes

Yes.

And, please send over draft Amendment #10 for our review.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,

We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.

Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.

Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,

Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.

You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).

It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.

I assume there is an internal OFA grid document which provides each advance as segregate rows.

Victor and I are reviewing today's draft.

Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

Ontario

LeRoy Ahyee

Settlements Officer | Ontario Financing Authority

This e-mail message and any files transmitted with it are intended only for the named

recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note"**). The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the ~~grid promissory note~~Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

Commented [VB1]: NOTE – consider changing ultimate repayment date to later than December 31, 2019 to align with FHP dates.

Commented [WT2R1]: Discussion with Victor to update this in a future restated agreement.

Formatted: Font: Bold

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid ~~or re-paid~~ by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form ~~of the grid note~~ attached hereto as Schedule 3 (the **"Grid Note")** and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new ~~grid promissory note~~Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

Commented [WT3]: Victor, – Is this deletion more accurate? The original language is consistent with the draft FHP credit facility agreement

Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Commented [A4]: As of August 21, 2017. IESO to confirm.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

~~**Election Notice**~~**I. ELECTION NOTICE**

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

~~Borrowing Notice~~**II. BORROWING NOTICE [to be included if applicable]**

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid ~~(the **"Grid"**)~~ attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the ~~grid promissory note~~Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note ~~Note~~ together with all interest accrued thereon shall become due and payable as specified in the c~~C~~redit a~~A~~greement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). ~~All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.~~

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Commented [VB5]: The term "Note" is not defined in the Agreement as far as I can tell, having checked all amendments. It occurs 6 times on this page. In the 2nd para, the term "grid promissory note" is also used and means the same thing. These should be consistent. "Note" should be defined, or we could use "Grid Note" throughout, but again it's preferable for it to be defined in some manner.

Commented [LS6]: "Grid Note" now defined in s. 3.2 of Credit Agreement.

Commented [VB7]: The original 2005 agreement is not defined as or entitled "Credit Agreement", so this occurrence should be lower case.

Commented [WT8R7]: agreed

Commented [LS9]: "Grid Note" now defined in s. 3.2 of Credit Agreement.

By:_____

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: William Tan
To: Sarah Harris
Subject: FW: Draft Amending Agreement No. 10
Date: Thursday, September 07, 2017 9:52:34 AM

Hi Sarah,
I heard you are not well today. I hope you're not feeling too bad . Normally I wouldn't bother you but I wanted your input. At this stage, should we push-back and ask Victor to leave the deadline extension for the next amendment and explain to him that we would need a new directive? Or call me to discuss.

From: Lisa Stein
Sent: Thursday, September 07, 2017 9:23 AM
To: William Tan
Cc: Shajee Kathirgamanathan ; Caroline Swerdlyk ; Sarah Harris
Subject: RE: Draft Amending Agreement No. 10
Hi Will,
Just to clarify, I didn't say the extension wasn't realistic. In my e-mail below I indicated that a directive will be necessary if you decide, as a business decision, to extend the expiration date of the revolving credit facility agreement. Happy to discuss further.
Lisa

From: William Tan
Sent: Wednesday, September 06, 2017 5:39 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Draft Amending Agreement No. 10
Thanks for the input. I agree, the extension doesn't seem realistic this time around. Chat with you in the morning.

From: Lisa Stein
Sent: Wednesday, September 06, 2017 5:28 PM
To: William Tan <William.Tan@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: Draft Amending Agreement No. 10
Hi Will and Shajee,
While it is a business/policy decision whether to extend the expiry date of the revolving credit facility agreement as per the IESO's request, please note that the current expiry date is set pursuant to the Ministerial directive dated November 28 ,2016. Therefore it will be necessary to obtain a new ministerial directive to amend the expiry date. It is possible to add this to the new directive which has not yet been signed by the Minister; you will also need to amend the accompanying briefing note.
Please advise how you would like to proceed regarding the directive. I'll provide additional comments on the IESO's edits to the latest amending agreement tomorrow (they are relatively minor).
Shajee/John: It will be necessary to amend the briefing note in any event as I believe the signature

line needs to be amended to reference the Minister (and not his delegate).
Thank you,
Lisa

From: William Tan
Sent: Wednesday, September 06, 2017 5:04 PM
To: Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: FW: Draft Amending Agreement No. 10

Hello Shajee,

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Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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---

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, September 06, 2017 4:16 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
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Hi Will – we have reviewed OFA's draft of Amendment #10 and only have a very few comments, which I have inserted in the attached for your review/consideration, mostly just addressing drafting inconsistencies and the like.

The one substantive proposal we would make is that the termination date for this $475MM revolving loan be extended beyond the current end-date of December 31, 2019 (as stipulated in Amending Agreement #9) to be aligned with the end-date of the FHP Credit Agreement which is September 30 2022. If agreed, it would require minor amendments to sections 2.4 and 5.1(b) of the Agreement. FYI, such a change would be within the scope of the authorization provided by IESO's board resolution.

Let us know your thoughts on this.

Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 31, 2017 4:33 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,
Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.
Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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---

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.

And, please send over draft Amendment #10 for our review.

Regards.

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Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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Attachments:	OFA IESO Amending Agreement No 10 OFA Draft Aug 18 (Aug 31 markup) IESO ….docx

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

Commented [VB1]: NOTE – Amending Agreement#9 added a definition of "IESO" to the Agreement – this change is just to be consistent with that definition.

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

Commented [VB2]: NOTE – consider changing ultimate repayment date to later than December 31, 2019 to align with FHP dates.

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid ~~or re-paid~~ by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note

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Commented [A3]: As of August 21, 2017. IESO to confirm.

delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

MT DOCS 14791871

Commented [VB4]: The term "Note" is not defined in the Agreement as far as I can tell, having checked all amendments. It occurs 6 times on this page. In the 2nd para, the term "grid promissory note" is also used and means the same thing. These should be consistent. "Note" should be defined, or we could use "Grid Note" throughout, but again it's preferable for it to be defined in some manner.

Commented [VB5]: The original 2005 agreement is not defined as or entitled "Credit Agreement", so this occurrence should be lower case.

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Shajee Kathirgamanathan
Cc:	Sarah Harris; Sarah Neville; Lisa Stein; Caroline Swerdlyk; Bruno Amara
Subject:	FW: Draft Amending Agreement No. 10
Date:	Wednesday, September 06, 2017 5:04:03 PM
Attachments:	OFA IESO Amending Agreement No 10 OFA Draft Aug 18 (Aug 31 markup) IESO ….docx

Hello Shajee,

As part of the existing OFA IESO Revolving Credit Facility Amending Agreement No. 10 to reduce to $475 million (from $975 million), IESO has requested to extend the agreement expiry date from December 31, 2019 to September 30, 2022 to align it with the new FHP $2 billion Credit Facility. From an OEFC perspective, do you have any concerns regarding this? FYI subject to the new directive being signed we anticipate that the Amending Agreement No. 10 and FHP Credit Facility to be signed by Friday.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, September 06, 2017 4:16 PM
To: William Tan
Cc: Sarah Harris ; Sarah Neville ; Caroline Swerdlyk ; Lisa Stein ; Anthony Martinello
Subject: RE: Draft Amending Agreement No. 10

Hi Will – we have reviewed OFA's draft of Amendment #10 and only have a very few comments, which I have inserted in the attached for your review/consideration, mostly just addressing drafting inconsistencies and the like.

The one substantive proposal we would make is that the termination date for this $475MM revolving loan be extended beyond the current end-date of December 31, 2019 (as stipulated in Amending Agreement #9) to be aligned with the end-date of the FHP Credit Agreement which is September 30 2022. If agreed, it would require minor amendments to sections 2.4 and 5.1(b) of the Agreement. FYI, such a change would be within the scope of the authorization provided by IESO's board resolution.

Let us know your thoughts on this.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 31, 2017 4:33 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.

Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA

Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged and confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message including any attachments, without reading it or making a copy. Thank you

---

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.
And, please send over draft Amendment #10 for our review.
Regards.

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

Commented [VB1]: NOTE – Amending Agreement#9 added a definition of "IESO" to the Agreement – this change is just to be consistent with that definition.

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

Commented [VB2]: NOTE – consider changing ultimate repayment date to later than December 31, 2019 to align with FHP dates.

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid ~~or re-paid~~ by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note

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Commented [A3]: As of August 21, 2017. IESO to confirm.

delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

MT DOCS 14791871

Commented [VB4]: The term "Note" is not defined in the Agreement as far as I can tell, having checked all amendments. It occurs 6 times on this page. In the 2nd para, the term "grid promissory note" is also used and means the same thing. These should be consistent. "Note" should be defined, or we could use "Grid Note" throughout, but again it's preferable for it to be defined in some manner.

Commented [VB5]: The original 2005 agreement is not defined as or entitled "Credit Agreement", so this occurrence should be lower case.

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	"Victor Buza"
Cc:	Sarah Harris; Lisa Stein; Anthony Martinello
Subject:	FW: Draft Amending Agreement No. 10
Date:	Monday, September 11, 2017 3:03:35 PM
Attachments:	OFA IESO Amending Agreement No 10 OFA Sep10.docx OFA IESO Amending Agreement No 10 (clean & blackline).docx

---

Hello Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 4:30 PM

To: Sarah Harris

Cc: Lisa Stein ; Caroline Swerdlyk ; Anthony Martinello ; William Tan

Subject: RE: Draft Amending Agreement No. 10

Hi Sarah and Lisa – per our email exchanges earlier this afternoon, see comments/ minor fixes in the attached.

I accepted the changes and removed the comments from the version that Will sent yesterday in the preceding email, so any comments or changes remaining are new.

Regards,

Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 07, 2017 3:40 PM
To: Victor Buza; Anthony Martinello
Cc: Lisa Stein; Sarah Harris; Caroline Swerdlyk
Subject: FW: Draft Amending Agreement No. 10

Hello Victor,

As discussed, the extension date of the existing $475 million Revolving Credit Facility to align with the FHP Revolving Credit Facility will be deferred to a future amended and restated agreement. We have included minor edits. Please review and comment.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Wednesday, September 06, 2017 4:16 PM

To: William Tan <William.Tan@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Draft Amending Agreement No. 10

Hi Will – we have reviewed OFA's draft of Amendment #10 and only have a very few comments, which I have inserted in the attached for your review/consideration, mostly just addressing drafting inconsistencies and the like.

The one substantive proposal we would make is that the termination date for this $475MM revolving loan be extended beyond the current end-date of December 31, 2019 (as stipulated in Amending Agreement #9) to be aligned with the end-date of the FHP Credit Agreement which is

September 30 2022. If agreed, it would require minor amendments to sections 2.4 and 5.1(b) of the Agreement. FYI, such a change would be within the scope of the authorization provided by IESO's board resolution.

Let us know your thoughts on this.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 31, 2017 4:33 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.
Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,
Do you mind giving me a call when you have a moment?
Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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---

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.
And, please send over draft Amendment #10 for our review.
Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,
We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.
Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.
Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?
Thanks,
Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan

<William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,

Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.

You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).

It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.

I assume there is an internal OFA grid document which provides each advance as segregate rows.

Victor and I are reviewing today's draft.

Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

Ontario
LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the ~~grid promissory note~~Grid Note~~e~~ (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such Advances~~advances~~ and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

Commented [WT1]: Amended as per Victor's comment.

Commented [WT2]: Amended as per Victor's comment.

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A3]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Commented [VB4]: Change of reference

Commented [WT5R4]: Amended as per comment.

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per~~By~~: _____

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Name:
Authorized Signatory

Commented [WT6]: Consistent with Schedule 1 & 2 formate and FHP.

Commented [WT7]: Removed Excel grid lines.

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the ~~grid promissory note~~Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) ~~the outstanding principal amount of the Grid Note.~~Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

Commented [VB1]: See comment on similar FHP language and make consistent between documents.

Commented [VB2]: Same as "Advances Outstanding"?? Or is this different?

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

Commented [VB3]: Leave as is

Commented [A4]: As of August 21, 2017. IESO to confirm.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY	**INDEPENDENT ELECTRICITY SYSTEM OPERATOR**
Per: _____ Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Per: _____ Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

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SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Commented [VB5]: Change of reference

Commented [WT6R5]: Amended as per comment.

Commented [VB7]: Change of reference

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (th **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place o business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of th Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

~~**By:**~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Per: _____

Name:

Authorized Signatory

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Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

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From:	Sarah Harris
To:	Jean-Francois Beaupre
Cc:	William Tan
Subject:	FW: Energy"s PRRT
Date:	Thursday, October 19, 2017 9:56:02 AM

Hi JF,
I should have cc'd you for next week…
Sarah

From: Sarah Harris
Sent: Thursday, October 19, 2017 9:55 AM
To: Mike Manning
Cc: Opal Kandelas ; William Tan
Subject: FW: Energy's PRRT

Hello Mike,
Just a quick update on IESO intercept provision issue…I followed up with John on the status of Ken's meeting with Gadi yesterday, and we're going to continue seeking execution of the tripartite (IESO-Energy-OFA) letter for now.
Thanks,
Sarah

From: John Kim
Sent: Thursday, October 19, 2017 9:50 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Energy's PRRT

Hi Sarah,
It is still on….waiting on IESO side now.
I didn't think it made sense to shut down an option at this point and they agreed to it.
John

From: Sarah Harris
Sent: Thursday, October 19, 2017 9:49 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: Energy's PRRT

Hi John,
Just wondering if you heard from Ken re: his meeting with Gadi and any further direction on the Ministerial Directive vs. the tripartite letter approach?
Thanks,
Sarah

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:59 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

My meeting with Gadi on this and other issues has been rescheduled to 4PM today so will get back

to you immediately after that.
Thanks
Ken k

From: John Kim
Sent: Wednesday, October 18, 2017 9:57 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
Ok, thanks….all along this group had recommended the exemption directive option. That said, my advice would be to leave both options open but pls. let us know. I have spoken to Ron as well and he is onside with either approach.

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:46 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
Will confirm this AM.
Thanks
Ken k

From: John Kim
Sent: Wednesday, October 18, 2017 9:45 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
Absolutely it is Gadi. Do we have his instruction?

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:44 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
Thanks John, who is making this decision and shouldn't that be Gadi
Let me know
Ken k

From: John Kim
Sent: Tuesday, October 17, 2017 1:57 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>

Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

Hi Ken,

From the start, the exemption had been the advocated path. I will keep this interception option open until the decision is made to pursue Minister's directive or when we have that directive signed. We can always walk away from this option.

Thanks,

John

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To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

Hi John

Based on a conversation with Gadi, any solution that continues with the intercept provision will most likely be unacceptable from OPG's perspective. They are concerned that despite the intercept being toothless on a practical basis it may send the wrong message to DBRS as it assess the credit-worthiness of the OFHP debt.

It appears that the only solution is have the Minister sign an exemption and we should focus on getting that in place.

Thanks

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Subject: FW: Energy's PRRT

Hi Lisa and everyone,

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To: John Kim <John.Kim@ofina.on.ca>
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John, I checked with our MOECC analyst, Green ON Fund is an agency of MOECC and is flowing funding to IESO.
James

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To: Strang, James (TBS)
Cc: Skubel, Chris (TBS); Malekzadeh, Afshin (TBS); Bruno Amara; He, Gavin (OFA)
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Hi James,
The Green ON Fund…am I correct to think that this is also not part of IESO's operating expense/allocation? As for the items below (for Energy), it is a program expense facilitated through the IESO?
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You are correct.

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Cc: Skubel, Chris (TBS); Malekzadeh, Afshin (TBS); Bruno Amara
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Agree?

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Subject: RE: Energy's PRRT

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Can you share Energy's approved PRRT? Have some urgent stuff we are dealing with.

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Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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To: Lisa Stein
Cc: Sarah Neville; Ken Kandeepan; Anna Strathy; Sarah Harris; William Tan; Gavin He; Bruno Amara
Subject: FW: Energy"s PRRT
Date: Tuesday, October 17, 2017 1:36:43 PM

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From:	Sarah Harris
To:	Mike Manning
Cc:	Opal Kandelas; William Tan
Subject:	FW: Energy"s PRRT
Date:	Thursday, October 19, 2017 9:54:31 AM

Hello Mike,
Just a quick update on IESO intercept provision issue…I followed up with John on the status of Ken's meeting with Gadi yesterday, and we're going to continue seeking execution of the tripartite (IESO-Energy-OFA) letter for now.
Thanks,
Sarah

From: John Kim
Sent: Thursday, October 19, 2017 9:50 AM
To: Sarah Harris
Subject: RE: Energy's PRRT
Hi Sarah,
It is still on….waiting on IESO side now.
I didn't think it made sense to shut down an option at this point and they agreed to it.
John

From: Sarah Harris
Sent: Thursday, October 19, 2017 9:49 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: Energy's PRRT
Hi John,
Just wondering if you heard from Ken re: his meeting with Gadi and any further direction on the Ministerial Directive vs. the tripartite letter approach?
Thanks,
Sarah

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:59 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
My meeting with Gadi on this and other issues has been rescheduled to 4PM today so will get back to you immediately after that.
Thanks
Ken k

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Subject: RE: Energy's PRRT
Ok, thanks….all along this group had recommended the exemption directive option. That said, my advice would be to leave both options open but pls. let us know. I have spoken to Ron as well and he is onside with either approach.

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:46 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
Will confirm this AM.
Thanks
Ken k

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Subject: RE: Energy's PRRT
Absolutely it is Gadi. Do we have his instruction?

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Thanks John, who is making this decision and shouldn't that be Gadi
Let me know
Ken k

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Sent: October 13, 2017 4:49 PM
To: Strang, James (TBS)
Cc: Skubel, Chris (TBS); Malekzadeh, Afshin (TBS); Bruno Amara; He, Gavin (OFA)
Subject: RE: Energy's PRRT

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From:	Sarah Harris
To:	Mike Manning
Cc:	Opal Kandelas; William Tan
Subject:	FW: Energy"s PRRT
Date:	Thursday, October 19, 2017 9:54:31 AM

Hello Mike,
Just a quick update on IESO intercept provision issue…I followed up with John on the status of Ken's meeting with Gadi yesterday, and we're going to continue seeking execution of the tripartite (IESO-Energy-OFA) letter for now.
Thanks,
Sarah

From: John Kim
Sent: Thursday, October 19, 2017 9:50 AM
To: Sarah Harris
Subject: RE: Energy's PRRT
Hi Sarah,
It is still on….waiting on IESO side now.
I didn't think it made sense to shut down an option at this point and they agreed to it.
John

From: Sarah Harris
Sent: Thursday, October 19, 2017 9:49 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: Energy's PRRT
Hi John,
Just wondering if you heard from Ken re: his meeting with Gadi and any further direction on the Ministerial Directive vs. the tripartite letter approach?
Thanks,
Sarah

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:59 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
My meeting with Gadi on this and other issues has been rescheduled to 4PM today so will get back to you immediately after that.
Thanks
Ken k

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<Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
Ok, thanks….all along this group had recommended the exemption directive option. That said, my advice would be to leave both options open but pls. let us know. I have spoken to Ron as well and he is onside with either approach.

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Will confirm this AM.
Thanks
Ken k

From: John Kim
Sent: Wednesday, October 18, 2017 9:45 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
Absolutely it is Gadi. Do we have his instruction?

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Subject: RE: Energy's PRRT
Thanks John, who is making this decision and shouldn't that be Gadi
Let me know
Ken k

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Hi Ken,
From the start, the exemption had been the advocated path. I will keep this interception option open until the decision is made to pursue Minister's directive or when we have that directive signed. We can always walk away from this option.
Thanks,
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Y. John Kim

Director, Electricity Finance Branch

Ontario Financing Authority

e-mail: john.kim@ofina.on.ca

Ph: 416-212-6996

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From:	Sarah Harris
To:	Mike Manning
Cc:	Jean-Francois Beaupre; William Tan; Opal Kandelas
Subject:	FW: Energy"s PRRT
Date:	Tuesday, October 17, 2017 1:50:17 PM

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We'll keep you posted.
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Cc: Chris Skubel (MGS) <Chris.Skubel@ontario.ca>; Afshin Malekzadeh (MOHLTC) <Afshin.Malekzadeh@ontario.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>

Subject: RE: Energy's PRRT

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Sent: August 18, 2017 12:57 PM
To: Strang, James (TBS)
Subject: RE: Energy's PRRT

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Hi James,

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Can you share Energy's approved PRRT? Have some urgent stuff we are dealing with.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	Sarah Harris
To:	Jean-Francois Beaupre
Cc:	Opal Kandelas
Subject:	FW: Energy"s PRRT
Date:	Tuesday, October 17, 2017 1:41:20 PM

FYI update on IESO…

From: John Kim
Sent: Tuesday, October 17, 2017 1:37 PM
To: Lisa Stein
Cc: Sarah Neville ; Ken Kandeepan ; Anna Strathy ; Sarah Harris ; William Tan ; Gavin He ; Bruno Amara
Subject: FW: Energy's PRRT

Hi Lisa and everyone,
Along with comments from Ken over the weekend, just circling everyone in on the latest information from TBS. Pls. advise if your assessment changes but to me, TBS appears to be advising that Green ON Fund is not IESO's operation expense/allocation but allocation from MOECC to Green ON Fund. Also, IESO staff have thus far signalled positively on the letter agreement. We are potentially looking about 2 days to conclude the process.
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John

From: Strang, James (TBS) [mailto:James.Strang@ontario.ca]
Sent: Tuesday, October 17, 2017 11:18 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Chris Skubel (MGS) <Chris.Skubel@ontario.ca>; Afshin Malekzadeh (MOHLTC) <Afshin.Malekzadeh@ontario.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Energy's PRRT

John, I checked with our MOECC analyst, Green ON Fund is an agency of MOECC and is flowing funding to IESO.
James

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 13, 2017 4:49 PM
To: Strang, James (TBS)
Cc: Skubel, Chris (TBS); Malekzadeh, Afshin (TBS); Bruno Amara; He, Gavin (OFA)
Subject: RE: Energy's PRRT

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Cc: Skubel, Chris (TBS); Malekzadeh, Afshin (TBS); Bruno Amara
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Agree?

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e-mail: john.kim@ofina.on.ca
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From:	Sarah Harris
To:	Jean-Francois Beaupre
Cc:	William Tan
Subject:	FW: Energy"s PRRT
Date:	Thursday, October 19, 2017 9:56:02 AM

Hi JF,
I should have cc'd you for next week…
Sarah

From: Sarah Harris
Sent: Thursday, October 19, 2017 9:55 AM
To: Mike Manning
Cc: Opal Kandelas ; William Tan
Subject: FW: Energy's PRRT

Hello Mike,
Just a quick update on IESO intercept provision issue…I followed up with John on the status of Ken's meeting with Gadi yesterday, and we're going to continue seeking execution of the tripartite (IESO-Energy-OFA) letter for now.
Thanks,
Sarah

From: John Kim
Sent: Thursday, October 19, 2017 9:50 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Energy's PRRT

Hi Sarah,
It is still on….waiting on IESO side now.
I didn't think it made sense to shut down an option at this point and they agreed to it.
John

From: Sarah Harris
Sent: Thursday, October 19, 2017 9:49 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: Energy's PRRT

Hi John,
Just wondering if you heard from Ken re: his meeting with Gadi and any further direction on the Ministerial Directive vs. the tripartite letter approach?
Thanks,
Sarah

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:59 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

My meeting with Gadi on this and other issues has been rescheduled to 4PM today so will get back

to you immediately after that.
Thanks
Ken k

From: John Kim
Sent: Wednesday, October 18, 2017 9:57 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
Ok, thanks….all along this group had recommended the exemption directive option. That said, my advice would be to leave both options open but pls. let us know. I have spoken to Ron as well and he is onside with either approach.

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:46 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
Will confirm this AM.
Thanks
Ken k

From: John Kim
Sent: Wednesday, October 18, 2017 9:45 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
Absolutely it is Gadi. Do we have his instruction?

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:44 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT
Thanks John, who is making this decision and shouldn't that be Gadi
Let me know
Ken k

From: John Kim
Sent: Tuesday, October 17, 2017 1:57 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>

Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

Hi Ken,

From the start, the exemption had been the advocated path. I will keep this interception option open until the decision is made to pursue Minister's directive or when we have that directive signed. We can always walk away from this option.

Thanks,

John

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Subject: RE: Energy's PRRT

Hi John

Based on a conversation with Gadi, any solution that continues with the intercept provision will most likely be unacceptable from OPG's perspective. They are concerned that despite the intercept being toothless on a practical basis it may send the wrong message to DBRS as it assess the credit-worthiness of the OFHP debt.

It appears that the only solution is have the Minister sign an exemption and we should focus on getting that in place.

Thanks

Ken k

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From: William Tan
To: Sarah Harris
Subject: FW: Existing Credit Facility balance transfer to FHP Credit Facility
Date: Wednesday, November 01, 2017 9:27:39 AM

Fyi,

George recommended waiting for John to return tomorrow.

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Sent: Wednesday, November 01, 2017 9:25 AM
To: William Tan
Subject: Tentative: Existing Credit Facility balance transfer to FHP Credit Facility
When: Wednesday, November 01, 2017 10:00 AM-10:30 AM (UTC-05:00) Eastern Time (US & Canada).
Where: Boardroom 1443

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To: Sarah Harris
Subject: FW: FHP AA No. 10 - Order of Events
Date: Tuesday, October 31, 2017 2:20:04 PM

Spoke with Will – should not send checklist, especially with internal references (like reference to Risa, which is internal) to external parties. Also, I had asked Will to speak to Lisa to give her a head's up about the communication that he was going to circulate. I asked Lisa if Will had spoken to her in person, and she said no. I spoke to Will about this, since I went to Lisa speak to about the process, assuming she had knowledge of it because Will was supposed to have spoken to her. I told Will that it was important that he keep me informed if he is unable to speak to people, so I can follow up as appropriate.

From: William Tan
Sent: Friday, October 27, 2017 9:55 AM
To: Lisa Stein
Cc: Sarah Harris
Subject: RE: FHP AA No. 10 - Order of Events

Hi Lisa,

Please put a hold on reviewing the internal and external checklists. I discussed the checklists with Sarah and we are going to simplify the communication with IESO.

Thanks,

Will

From: William Tan
Sent: Friday, October 27, 2017 8:49 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FHP AA No. 10 - Order of Events

Good morning Lisa,

Anthony has notified us of his intentions on Nov 21, to move the entire balance of $840mm + new advance, to the $2B credit facility. I have put together a timeline/checklist based on the aforementioned scenario in an effort to get everyone on the same page. You will notice that the FHP credit facility is set-up first to be available when the transfer is eventually ready to be done. The Amending Agreement No. 10 will be signed and reduced closer to the time of the transfer.

Please find the attached checklist outlining the order of events. I have also created a separate internal checklist. Please review both checklists so I may share the **EXTERNAL** checklist it with Anthony.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Sarah Harris
To: Sarah Harris
Subject: FW: FHP AA No. 10 - Order of Events
Date: Tuesday, October 31, 2017 2:20:04 PM

Spoke with Will – should not send checklist, especially with internal references (like reference to Risa, which is internal) to external parties. Also, I had asked Will to speak to Lisa to give her a head's up about the communication that he was going to circulate. I asked Lisa if Will had spoken to her in person, and she said no. I spoke to Will about this, since I went to Lisa speak to about the process, assuming she had knowledge of it because Will was supposed to have spoken to her. I told Will that it was important that he keep me informed if he is unable to speak to people, so I can follow up as appropriate.

From: William Tan
Sent: Friday, October 27, 2017 9:55 AM
To: Lisa Stein
Cc: Sarah Harris
Subject: RE: FHP AA No. 10 - Order of Events

Hi Lisa,

Please put a hold on reviewing the internal and external checklists. I discussed the checklists with Sarah and we are going to simplify the communication with IESO.

Thanks,

Will

From: William Tan
Sent: Friday, October 27, 2017 8:49 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FHP AA No. 10 - Order of Events

Good morning Lisa,

Anthony has notified us of his intentions on Nov 21, to move the entire balance of $840mm + new advance, to the $2B credit facility. I have put together a timeline/checklist based on the aforementioned scenario in an effort to get everyone on the same page. You will notice that the FHP credit facility is set-up first to be available when the transfer is eventually ready to be done. The Amending Agreement No. 10 will be signed and reduced closer to the time of the transfer.

Please find the attached checklist outlining the order of events. I have also created a separate internal checklist. Please review both checklists so I may share the **EXTERNAL** checklist it with Anthony.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
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From: William Tan
To: Sarah Harris
Subject: FW: FHP Amount, Frequency and Forecasting
Date: Thursday, October 05, 2017 10:22:53 AM

Fyi
I called Anthony to clarify the following below.
It appears to be a total of $840 million (subject to change) with less than two weeks to go until October 18.

1. He seems open to the idea to providing a forecast and gave me the impression that it changes quite regularly and to be treated as an indication only.
2. He offered, Cash Management to reach out to him a week before the advancement and he could give a far more accurate figure compared to a month or months in advance.
3. The number on the borrowing notice and election notice is "pretty much" set in stone.
4. Advances will likely increase by $200 million to $300 million a month.
5. Local Distribution Company (LDC) LDC's: Toronto Hydro, Whitby Hydro Electric etc. Anthony gets his numbers from the LDC's.
   Numbers off by: $20 million very likely.
   $50 million somewhat likely
   $100 million not likely but can happen.

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, October 04, 2017 12:05 PM
To: William Tan
Subject: RE: FHP Amount, Frequency and Forecasting

Next Notice to be sent on Oct 18 …and the OFA funds to be deposited Oct 20.
For Oct, I expect to borrow an addition $235 million plus the rollover of $605 million.
We do forecast our cash positions every day – the FHP cash will be primarily month-to-month, except on those months (maybe 3 times per year) when OPG trust buys from the IESO in which case it will be week-to-week.
Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 03, 2017 10:14 AM
To: Anthony Martinello
Subject: FHP Amount, Frequency and Forecasting

Hello Anthony,

Approximately how much would be required for the October advancement? Since the 21st falls on a Saturday, what day will you be sending the Election Notice and what day would the advancement occur?
Also, our Cash Management Department forecasts cash requirements on a day-to-day basis. Cash Management is inquiring about the frequency of the advances under the FHP program. For example: Does FHP require funds on a monthly basis?
Does IESO have cash forecasting information what it can share with Cash Management and on an ongoing basis?
Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400

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From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	FW: FHP Revolving Credit Facility Agreement 2017-2022 Final (ish)
Date:	Thursday, November 02, 2017 2:36:37 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v9 Nov 2.docx

Hello Lisa,

I have updated the month to November on page 2 and added Gadi as the signatory. Attached is the blackline copy.

Thanks,

Will

From: Lisa Stein

Sent: Thursday, November 02, 2017 11:05 AM

To: 'Victor Buza' ; Sarah Harris

Cc: Anthony Martinello ; John Kim ; Tobias P. Whitfield (MOF) ; William Tan

Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Final (ish)

Great, I think we are there too. I've made one further change to the definition of OFHP, adding in the full citation (see attached). If no one has any further comments, we will prepare an execution version (and make further formatting changes if required).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Wednesday, November 01, 2017 5:58 PM

To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; William Tan <William.Tan@ofina.on.ca>

Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Final (ish)

Ok, I think we may be there on the FHP credit agreement. See attached.

I have accepted all changes and only made one minor change, that being to the definition of OFHP, which I conformed with the version of the definition in AA#10. That is the only track change you should find in this document.

FYI I also hit return and deleted spaces in a few places in an effort to regularize the formatting, but feel free to make further formatting changes as required.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 4:01 PM
To: Victor Buza; Sarah Harris
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Victor,

Yes, all other changes to the Agreement are acceptable.
Thanks,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, November 01, 2017 3:30 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Thanks Lisa – good catch.
Can I assume that, apart from that change, all the other changes are acceptable to OFA? I'd like to go through the Agreement accepting whatever tracked changes I can and see if anything is left of if it is now done.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 3:19 PM
To: Sarah Harris; Victor Buza
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Victor,
Upon further review, I note an additional minor change to this agreement:
s. 3.3(2)(d) – please replace "ENERGY" with "the Ministry of Energy", as "ENERGY" is not a defined term in this agreement.
Thank you,
Lisa

From: Sarah Harris
Sent: Wednesday, November 01, 2017 2:07 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hello Victor,
Lisa is in a meeting until 3 p.m.., so I am forwarding our comments on the FHP agreement on her behalf.
We have made a minor change to section 3.2(3) - specifically, we deleted the language "and shall also be noted in the grid of the Grid Note" following "The amount of the Repayment Amount shall be detailed in the Borrowing Notice." This is because the Repayment Amount ($825M) is not the first entry on the FHP Grid; the first entry will be for the entire advance of approximately $1B ($825M + new funds). Anthony and Will just had a call to discuss the particulars of what the various grid notes under the existing facility and new facility will be on November 21st (including partial repayment of the outstanding $840M loan) and Anthony will be circulating an e-mail summarizing that conversation. The Effective Date of the amending agreement to reduce the existing facility will also be November 21st, not November 22nd.
In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy

requirement is that this agreement must be in place “prior to entering into a loan agreement….”. It looks, in practice, that the intercept letter will be executed prior to these two facility agreements, so we surmise this would not be an issue.
We received your most recent draft of the amending agreement. Lisa will be able to review once she is out of her meeting, after 3 p.m.
Thanks,
Sarah

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.
Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.
Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: “Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…”
Comments on AA#10 to follow tomorrow morning.
Regards,
Victor
Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Hi Victor,
Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO’s repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.
Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.
Thank you,

Lisa
Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of November~~October~~ 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

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"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license

or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other

lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or

inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the

prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Gadi Mayman~~Michael D. Manning~~

Title: ~~Executive Director &~~ Chief Executive Officer~~Investment Officer,~~

~~Capital Markets Division~~

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

Formatted: Indent: Left: 0", Hanging: 0.5"

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]** as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Sarah Harris
Subject:	FW: FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v6 OFA Legal comments.docx
Date:	Monday, October 30, 2017 1:22:00 PM

Hi Sarah,

I have no comments regarding the FHP.

From: Lisa Stein
Sent: Friday, October 27, 2017 4:13 PM
To: William Tan ; Sarah Harris ; John Kim
Cc: Sarah Neville
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v6 OFA Legal comments.docx

Hi all,

Please see attached my black-lined responses and comments to the IESO's latest edits. I don't have any serious concerns with the proposed amendments. Please let me know if you have any further concerns. If everyone is satisfied with the intercept language, I will incorporate the same language into AA#10.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From:	William Tan
To:	Sarah Harris
Subject:	FW: FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v6 OFA Legal comments.docx
Date:	Monday, October 30, 2017 1:22:00 PM

Hi Sarah,

I have no comments regarding the FHP.

From: Lisa Stein
Sent: Friday, October 27, 2017 4:13 PM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v6 OFA Legal comments.docx

Hi all,

Please see attached my black-lined responses and comments to the IESO's latest edits. I don't have any serious concerns with the proposed amendments. Please let me know if you have any further concerns. If everyone is satisfied with the intercept language, I will incorporate the same language into AA#10.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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****

From:	Sarah Harris
To:	Opal Kandelas
Subject:	FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Wednesday, November 01, 2017 10:40:06 AM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7 IESO Comments Oct 31.docx
Importance:	High

From: Lisa Stein
Sent: Wednesday, November 01, 2017 10:16 AM
To: Tobias P. Whitfield (MOF)
Cc: Sarah Harris ; William Tan ; John Kim
Subject: FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Importance: High

Hi Toby,

What are your thoughts on the IESO's amendment to s. 3.2(3)? I believe it reflects the discussion from our conference call yesterday.

In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". Subject to any comments from documentation and CEFD, I am okay with the IESO's other proposed amendments.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.

Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.

Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"

Comments on AA#10 to follow tomorrow morning.

Regards,

Victor

Victor Buza | Senior Counsel

Independent Electricity System Operator (IESO) | T: 416-969-6079
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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November~~October~~ ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) ~~For the purposes of~~Respecting the first Advance to be made under this Agreement (the "**First Advance**"), ~~the purpose of which shall include the repayment of a~~ specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the c~~C~~redit a~~A~~greement between the Parties dated January 1, 2005, as amended~~,~~ (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance, and ~~the IESO and the OFA agree that a specified portion of the entry of the First Advance~~ shall also be noted on the grid of the Grid Note. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the~~, as indicated in the Borrowing~~

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~~Notice, shall constitute a~~ repayment ~~under the Existing Credit Facility~~of the Repayment Amount thereunder.~~.~~

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Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4

COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

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and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

~~(c)~~(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

~~(d)~~(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS4]: Okay; tracked language in AA#10

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the

matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]**~~October (·), 2017~~ as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

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This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Sarah Harris
To:	Opal Kandelas
Subject:	FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Wednesday, November 01, 2017 10:40:06 AM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7 IESO Comments Oct 31.docx
Importance:	High

From: Lisa Stein
Sent: Wednesday, November 01, 2017 10:16 AM
To: Tobias P. Whitfield (MOF)
Cc: Sarah Harris ; William Tan ; John Kim
Subject: FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Importance: High

Hi Toby,

What are your thoughts on the IESO's amendment to s. 3.2(3)? I believe it reflects the discussion from our conference call yesterday.

In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". Subject to any comments from documentation and CEFD, I am okay with the IESO's other proposed amendments.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.

Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.

Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"

Comments on AA#10 to follow tomorrow morning.

Regards,

Victor

Victor Buza | Senior Counsel

Independent Electricity System Operator (IESO) | T: 416-969-6079
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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November~~October~~ ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) ~~For the purposes of~~Respecting the first Advance to be made under this Agreement (the "**First Advance**"), ~~the purpose of which shall include the repayment of a~~ specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the c~~C~~redit a~~A~~greement between the Parties dated January 1, 2005, as amended~~,~~ (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance, and ~~the IESO and the OFA agree that a specified portion of the entry of the First Advance~~ shall also be noted on the grid of the Grid Note. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the~~, as indicated in the Borrowing~~

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~~Notice, shall constitute a~~ repayment ~~under the Existing Credit Facility~~of the Repayment Amount thereunder.~~.~~

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Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4

COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

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and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

~~(c)~~(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

~~(d)~~(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

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This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the

matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]**~~October (·), 2017~~ as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

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This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Tobias P. Whitfield (MOF)
Cc:	Sarah Harris; William Tan; John Kim
Subject:	FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Wednesday, November 01, 2017 10:16:10 AM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7 IESO Comments Oct 31.docx
Importance:	High

Hi Toby,

What are your thoughts on the IESO's amendment to s. 3.2(3)? I believe it reflects the discussion from our conference call yesterday.

In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". Subject to any comments from documentation and CEFD, I am okay with the IESO's other proposed amendments.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; John Kim ; Anthony Martinello
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.

Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.

Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"

Comments on AA#10 to follow tomorrow morning.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079

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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]

Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November~~October~~ ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) ~~For the purposes of~~Respecting the first Advance to be made under this Agreement (the "**First Advance**"), ~~the purpose of which shall include the repayment of a~~ specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the c~~C~~redit a~~A~~greement between the Parties dated January 1, 2005, as amended~~,~~ (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance, and ~~the IESO and the OFA agree that a specified portion of the entry of the First Advance~~ shall also be noted on the grid of the Grid Note. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the~~, as indicated in the Borrowing~~

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~~Notice, shall constitute a~~ repayment ~~under the Existing Credit Facility~~of the Repayment Amount thereunder.~~.~~

Commented [LS1]: NTD: To be included the "Use of Funds" section

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Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4

COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

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Commented [LS3]: Assumes letter signed on same date as agreement

and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

~~(c)~~(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

~~(d)~~(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

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This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the

matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]**~~October (·), 2017~~ as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

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This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Tobias P. Whitfield (MOF)
Cc:	Sarah Harris; William Tan; John Kim
Subject:	FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Wednesday, November 01, 2017 10:16:10 AM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7 IESO Comments Oct 31.docx
Importance:	High

Hi Toby,

What are your thoughts on the IESO's amendment to s. 3.2(3)? I believe it reflects the discussion from our conference call yesterday.

In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". Subject to any comments from documentation and CEFD, I am okay with the IESO's other proposed amendments.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; John Kim ; Anthony Martinello
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.

Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.

Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"

Comments on AA#10 to follow tomorrow morning.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079

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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]

Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November~~October~~ ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) ~~For the purposes of~~Respecting the first Advance to be made under this Agreement (the "**First Advance**"), ~~the purpose of which shall include the repayment of a~~ specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the c~~C~~redit a~~A~~greement between the Parties dated January 1, 2005, as amended~~,~~ (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance, and ~~the IESO and the OFA agree that a specified portion of the entry of the First Advance~~ shall also be noted on the grid of the Grid Note. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the~~, as indicated in the Borrowing~~

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~~Notice, shall constitute a~~ repayment ~~under the Existing Credit Facility~~of the Repayment Amount thereunder.~~.~~

Commented [LS1]: NTD: To be included the "Use of Funds" section

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Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4

COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

Commented [LS2]: Once confirmed, will track language in AA#10 as well.

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Commented [LS3]: Assumes letter signed on same date as agreement

and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

~~(c)~~(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

~~(d)~~(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

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This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the

matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]**~~October (·), 2017~~ as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

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This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	John Kim
To:	Lisa Stein
Cc:	Sarah Neville; Sarah Harris; William Tan; Gavin He
Subject:	FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Date:	Tuesday, October 31, 2017 1:13:02 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx

Hi Lisa,

Along with this, do you have the existing facility to be amended available?

Would this attached be considered final or the latest?

Thanks,

John

From: Lisa Stein

Sent: Monday, October 30, 2017 4:19 PM

To: 'Victor Buza'

Cc: Sarah Harris ; William Tan ; John Kim

Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) For the purposes of the first Advance to be made under this Agreement (the "**First Advance**"), the purpose of which shall include the repayment of a portion of the IESO's outstanding indebtedness to the OFA under the [Credit Agreement between the Parties dated January 1, 2005, as amended, (the "**Existing Credit Facility**"), the IESO and the OFA agree that a specified portion of the entry of the First Advance on the Grid Note, as indicated in the Borrowing Notice, shall constitute a repayment under the Existing Credit Facility.

Section 3.3 Elections Regarding Advances.

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(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Re~~P~~payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as

such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date ~~,~~ herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness ~~when due~~ under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing ~~under this Agreement~~hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

Commented [LS2]: Once confirmed, will track language in AA#10 as well.

Commented [LS3]: Assumes letter signed on same date as agreement

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(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS4]: Okay; tracked language in AA#10

This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	John Kim
To:	Lisa Stein
Cc:	Sarah Neville; Sarah Harris; William Tan; Gavin He
Subject:	FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Date:	Tuesday, October 31, 2017 1:13:02 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx

Hi Lisa,

Along with this, do you have the existing facility to be amended available?

Would this attached be considered final or the latest?

Thanks,

John

From: Lisa Stein

Sent: Monday, October 30, 2017 4:19 PM

To: 'Victor Buza'

Cc: Sarah Harris ; William Tan ; John Kim

Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) For the purposes of the first Advance to be made under this Agreement (the "**First Advance**"), the purpose of which shall include the repayment of a portion of the IESO's outstanding indebtedness to the OFA under the [Credit Agreement between the Parties dated January 1, 2005, as amended, (the "**Existing Credit Facility**"), the IESO and the OFA agree that a specified portion of the entry of the First Advance on the Grid Note, as indicated in the Borrowing Notice, shall constitute a repayment under the Existing Credit Facility.

Section 3.3 Elections Regarding Advances.

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(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Re~~P~~payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as

such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date ~~,~~ herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness ~~when due~~ under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing ~~under this Agreement~~hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

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(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

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This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: William Tan
To: Sarah Harris
Subject: FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Date: Monday, October 30, 2017 9:02:40 PM
Attachments: FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx

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Hi Sarah,

I don't believe "Existing Credit Facility" defined term in the definition section.

Also, do we need to reference the existing Grid Note and existing Borrowing Notice to differentiate between the new Grid Note and new Borrowing Notice?

> (1) For the purposes of the first Advance to be made under this Agreement (the "**First Advance**"), the purpose of which shall include the repayment of a portion of the IESO's outstanding indebtedness to the OFA under the [Credit Agreement between the Parties dated January 1, 2005, as amended, (the "**Existing Credit Facility**"), the IESO and the OFA agree that a specified portion of the entry of the First Advance on the Grid Note, as indicated in the Borrowing Notice, shall constitute a repayment under the Existing Credit Facility.

No other comments.

From: Lisa Stein
Sent: Monday, October 30, 2017 4:19 PM
To: 'Victor Buza'
Cc: Sarah Harris ; William Tan ; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) For the purposes of the first Advance to be made under this Agreement (the "**First Advance**"), the purpose of which shall include the repayment of a portion of the IESO's outstanding indebtedness to the OFA under the [Credit Agreement between the Parties dated January 1, 2005, as amended, (the "**Existing Credit Facility**"), the IESO and the OFA agree that a specified portion of the entry of the First Advance on the Grid Note, as indicated in the Borrowing Notice, shall constitute a repayment under the Existing Credit Facility.

Section 3.3 Elections Regarding Advances.

Commented [LS1]: NTD: To be included the "Use of Funds" section

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(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Re~~P~~payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as

such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date ~~,~~ herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness ~~when due~~ under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing ~~under this Agreement~~hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

Commented [LS2]: Once confirmed, will track language in AA#10 as well.

Commented [LS3]: Assumes letter signed on same date as agreement

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(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS4]: Okay; tracked language in AA#10

This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: William Tan
To: Sarah Harris
Subject: FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Date: Monday, October 30, 2017 9:02:40 PM
Attachments: FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7.docx

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Hi Sarah,

I don't believe "Existing Credit Facility" defined term in the definition section.

Also, do we need to reference the existing Grid Note and existing Borrowing Notice to differentiate between the new Grid Note and new Borrowing Notice?

> (1) For the purposes of the first Advance to be made under this Agreement (the "**First Advance**"), the purpose of which shall include the repayment of a portion of the IESO's outstanding indebtedness to the OFA under the [Credit Agreement between the Parties dated January 1, 2005, as amended, (the "**Existing Credit Facility**"), the IESO and the OFA agree that a specified portion of the entry of the First Advance on the Grid Note, as indicated in the Borrowing Notice, shall constitute a repayment under the Existing Credit Facility.

No other comments.

From: Lisa Stein
Sent: Monday, October 30, 2017 4:19 PM
To: 'Victor Buza'
Cc: Sarah Harris ; William Tan ; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) For the purposes of the first Advance to be made under this Agreement (the "**First Advance**"), the purpose of which shall include the repayment of a portion of the IESO's outstanding indebtedness to the OFA under the [Credit Agreement between the Parties dated January 1, 2005, as amended, (the "**Existing Credit Facility**"), the IESO and the OFA agree that a specified portion of the entry of the First Advance on the Grid Note, as indicated in the Borrowing Notice, shall constitute a repayment under the Existing Credit Facility.

Section 3.3 Elections Regarding Advances.

Commented [LS1]: NTD: To be included the "Use of Funds" section

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(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Re~~P~~payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as

such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date ~~,~~ herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness ~~when due~~ under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing ~~under this Agreement~~hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

Commented [LS2]: Once confirmed, will track language in AA#10 as well.

Commented [LS3]: Assumes letter signed on same date as agreement

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(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS4]: Okay; tracked language in AA#10

This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	FW: FHP Revolving Credit Facility Agreement 2017-2022 Final (ish)
Date:	Thursday, November 02, 2017 2:36:37 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v9 Nov 2.docx

Hello Lisa,

I have updated the month to November on page 2 and added Gadi as the signatory. Attached is the blackline copy.

Thanks,

Will

From: Lisa Stein
Sent: Thursday, November 02, 2017 11:05 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Final (ish)

Great, I think we are there too. I've made one further change to the definition of OFHP, adding in the full citation (see attached). If no one has any further comments, we will prepare an execution version (and make further formatting changes if required).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, November 01, 2017 5:58 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>; Tobias P.

Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Final (ish)

Ok, I think we may be there on the FHP credit agreement. See attached.

I have accepted all changes and only made one minor change, that being to the definition of OFHP, which I conformed with the version of the definition in AA#10. That is the only track change you should find in this document.

FYI I also hit return and deleted spaces in a few places in an effort to regularize the formatting, but feel free to make further formatting changes as required.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 4:01 PM
To: Victor Buza; Sarah Harris
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Victor,

Yes, all other changes to the Agreement are acceptable.

Thanks,

Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, November 01, 2017 3:30 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Thanks Lisa – good catch.

Can I assume that, apart from that change, all the other changes are acceptable to OFA? I'd like to go through the Agreement accepting whatever tracked changes I can and see if anything is left of if it is now done.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 3:19 PM

To: Sarah Harris; Victor Buza
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Victor,

Upon further review, I note an additional minor change to this agreement:

s. 3.3(2)(d) – please replace "ENERGY" with "the Ministry of Energy", as "ENERGY" is not a defined term in this agreement.

Thank you,

Lisa

From: Sarah Harris
Sent: Wednesday, November 01, 2017 2:07 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hello Victor,

Lisa is in a meeting until 3 p.m.., so I am forwarding our comments on the FHP agreement on her behalf.

We have made a minor change to section 3.2(3) - specifically, we deleted the language "and shall also be noted in the grid of the Grid Note" following "The amount of the Repayment Amount shall be detailed in the Borrowing Notice." This is because the Repayment Amount ($825M) is not the first entry on the FHP Grid; the first entry will be for the entire advance of approximately $1B ($825M + new funds). Anthony and Will just had a call to discuss the particulars of what the various grid notes under the existing facility and new facility will be on November 21st (including partial repayment of the outstanding $840M loan) and Anthony will be circulating an e-mail summarizing that conversation. The Effective Date of the amending agreement to reduce the existing facility will also be November 21st, not November 22nd.

In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". It looks, in practice, that the intercept letter will be executed prior to these two facility agreements, so we surmise this would not be an issue.

We received your most recent draft of the amending agreement. Lisa will be able to review once she is out of her meeting, after 3 p.m.

Thanks,
Sarah

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.

Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.

Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"

Comments on AA#10 to follow tomorrow morning.

Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079

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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this

version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of November~~October~~ 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

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"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license

or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other

lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or

inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the

prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Gadi Mayman~~Michael D. Manning~~

Title: ~~Executive Director &~~ Chief Executive Officer~~Investment Officer,~~

~~Capital Markets Division~~

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

Formatted: Indent: Left: 0", Hanging: 0.5"

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]** as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

To:	William Tan
Subject:	FW: FHP Revolving Credit Facility Agreement Execution version
Date:	Friday, September 01, 2017 1:14:04 PM
Attachments:	FHP credit facility agreement draft OFA Legal Aug 18 IESO Aug 28 (markup)v4.docx

Hi Will,

Just make a clean copy

From: William Tan
Sent: Friday, September 01, 2017 1:02 PM
To: Caroline Swerdlyk ; Sarah Harris ; Sarah Neville
Cc: Lisa Stein
Subject: RE: FHP Revolving Credit Facility Agreement Execution version

Hi Caroline,

I agree with your changes.

I have updated the Schedule 3, Grid Note.

Please review and comment. Once your review is completed, I will prepare a clean version and blackline it against the last version that was sent to IESO.

Thanks,

Will

From: Caroline Swerdlyk
Sent: Friday, September 01, 2017 12:08 PM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement Execution version

Hi Will,

I made a few clean-ups in the attached (e.g. date of agreement changed from August to September on the first 2 pages and in the Schedules, fixed a cross-reference in s. 5.1(g), fixed Mike Manning's title in s. 7.1 Notices and the signature line).

Please confirm the form of Grid Note in Schedule 3 is correct.

As discussed, I don't think you should call the document the execution version until it is finalized with the date etc.

Once internal OFA review is completed – please prepare a clean version and a blackline against the last version that was sent to the IESO.

Thanks,

Caroline

From: William Tan
Sent: Friday, September 01, 2017 10:37 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: FHP Revolving Credit Facility Agreement Execution version

Hello all,

Please review and provide comments if you have any. The only change to this was Mike's title change. May I ask you to review this this morning?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: ~~August~~September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of ~~August~~September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

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"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (~~hg~~)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director—& Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

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SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated ~~August~~September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
	Total Principal Advanced									

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:
Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: William Tan
To: Sarah Harris
Subject: FW: FHP Status Update
Date: Monday, October 16, 2017 4:09:16 PM

Fyi from Carlos.

From: Carlos Yep
Sent: Monday, October 16, 2017 4:03 PM
To: William Tan
Subject: RE: FHP Status Update

Will

FYI – in OLMS the new $2B credit facility is related to the Line of Credit - Regulated Price Plan Variance (RPP) which currently has $604,963,600.47 coming due on October 20th

The following is an excerpt from a FHP briefing:

> These are primarily consumers eligible for the Regulated Price Plan (RPP), and aligns with the eligibility under the *Ontario Rebate for Electricity Consumers Act, 2016* (ORECA). ENERGY notes that up to 500,000 small businesses and farms are benefitting from GA refinancing.

C

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Sent: Friday, October 13, 2017 5:19 PM
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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: FHP Status Update

Hello All,

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The amount for the subsequent draw on November 21, is currently unknown but is expected to exceed the existing $975 million OFA IESO Credit Facility limit.

Assuming the $2 Billion FHP Credit Facility agreement is signed before November 21, we are considering two options for the November 21 advances:

(1) IESO will submit a borrowing notice for the November draw to be drawn entirely from the $2 Billion FHP Credit Facility.

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I will be consulting with IESO to determine which of these options will be chosen and will advise

as to the option selected. I understand these facilities will need to be updated in OLMS. I am providing this information to all parties so that they may determine what arrangements are necessary in this regard.

Thanks,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Sarah Harris
To: William Tan
Subject: FW: FHP Status Update
Date: Monday, October 16, 2017 12:23:04 PM

Hi Will,

As a note, could you please include Siva on these updates. I need to send Siva a separate update, but going forward, please include him.

Sarah

From: William Tan
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From: Sarah Harris
To: Opal Kandelas
Subject: FW: FHP Status Update
Date: Friday, October 13, 2017 5:22:47 PM

FYI

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To: Carlos Yep ; Risa Thau ; John Kim ; Alfonso Soriano
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From: Sarah Harris
To: Opal Kandelas
Subject: FW: FHP and Amending Agreement No. 10 - Order of Events
Date: Monday, October 30, 2017 9:29:20 AM

Hi Opal,
For our discussion…
Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Monday, October 30, 2017 9:09 AM
To: William Tan ; Victor Buza
Cc: Sarah Harris ; Lisa Stein
Subject: RE: FHP and Amending Agreement No. 10 - Order of Events

Why not sign all docs on the same day this week including:
-intercept letter
-$2B facility
-the $975M non-rollover notice (this would confirm that in mid-Nov IESO will not rollover the $825M (the RRRP will continue to rollover with this facility) due on Nov 21)
-issue a rollover notice for $2B facility to say the $825M is being rolled over – note that I will need to borrow another approx. $225M too
-the AA # 10
This way all is in place by this week's end. Let me know or call me to discuss 905-403-6944.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 27, 2017 5:05 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FHP and Amending Agreement No. 10 - Order of Events

Hello Anthony and Victor,

Pending the execution of the intercept letter agreement next week, we can certainly target executing the FHP credit facility at that same time, however, we propose holding off the execution of the amending agreement until November 22nd .

Currently there is $840M outstanding under the existing credit facility agreement; we cannot reduce the limit of the $975M to $475M while the $840M is still outstanding. As per our discussion with Anthony, we understand that it is IESO's intention that the next draw for the whole balance of $840M (plus any new advancement) will be entirely funded through the new FHP facility (i.e. that is move all funding for next draw on November 21st from the existing $975 million Credit Facility to the $2 Billion FHP Credit Facility).

In order to achieve this with least disruption we propose:

- Sign the FHP Credit Facility agreement first next week (assuming intercept letter will be signed prior to or at the same time).
- For next advance, Prior to November 21st funding date, IESO sends to the OFA the FHP Borrowing Notice under the new Facility specifying the amount of the next advance ($840 million + new advance).
- Allow the $840 million outstanding under the existing $975 million Credit Facility to mature on November 21st and OFA will fund the November 21st advance (whereby OFA will send any net difference of funds above the $840M to IESO) under the new Facility.

- Arrange to execute Amending Agreement No. 10, on November 22 to reduce the existing credit facility on $475M.

Please provide your thoughts if this is suitable.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: William Tan
To: Lisa Stein
Cc: Sarah Harris
Subject: FW: FHP and Amending Agreement No. 10 - Order of Events
Date: Friday, October 27, 2017 2:27:14 PM

Hi Lisa,
I have included mention of the letter agreement and removed the term semi-executed. Business process aside, do you mind reviewing this before to IESO?
Thanks,
Will
Hello Anthony and Victor,
Pending the execution of the intercept letter agreement next week, we can certainly target executing the FHP credit facility at that same time, however, we propose holding-off the executing the amending agreement until November 22nd.
Currently there is $840M outstanding under the existing credit facility agreement; we cannot reduce the limit of the $975M to $475M while the $840M is still outstanding. As per our discussion with Anthony, it is IESO's intention that the next draw for the whole balance of $840M (plus any new funding) will be entirely funded through the new FHP facility (i.e. that is move all funding for next draw on November 21st from the existing $975 million Credit Facility to the $2 Billion FHP Credit Facility).
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From: Lisa Stein
Sent: Friday, October 27, 2017 10:47 AM
To: William Tan
Cc: Sarah Harris
Subject: RE: FHP and Amending Agreement No. 10 - Order of Events
The details regarding the credit facility/moving funds/amounts are business matters. In terms of the legal details, what do you mean by "semi-executed"? The letter agreement needs to be executed first and it is not mentioned here.

From: William Tan
Sent: Friday, October 27, 2017 10:42 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>

Subject: FHP and Amending Agreement No. 10 - Order of Events

Hello Lisa,

Please review if you agree with the order of events so we may streamline the execution process with IESO.

Thanks,

Hello Anthony and Victor,

As per our discussion with Anthony, the entire balance of $840 million will be moved from the existing $975 million Credit Facility to the $2 Billion FHP Credit Facility. Currently we cannot reduce the existing $975 million limit under the facility while $840 million is still outstanding under it.

We propose to signing the FHP Credit Facility agreement first on November 1st and receiving the FHP Borrowing Notice to advance ($840 million + new advance) on November 16. Allow the $840 million outstanding under the existing $975 million Credit Facility to mature on November 21st . Sign the semi-executed Amending Agreement No. 10 on November 16 to reduced the existing credit facility on November 22nd.

Please provide you thoughts is this is suitable.

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
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From: Sarah Harris
To: Opal Kandelas
Subject: FW: FHP and Amending Agreement No. 10 - Order of Events
Date: Monday, October 30, 2017 9:29:20 AM

Hi Opal,
For our discussion…
Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Monday, October 30, 2017 9:09 AM
To: William Tan ; Victor Buza
Cc: Sarah Harris ; Lisa Stein
Subject: RE: FHP and Amending Agreement No. 10 - Order of Events

Why not sign all docs on the same day this week including:
-intercept letter
-$2B facility
-the $975M non-rollover notice (this would confirm that in mid-Nov IESO will not rollover the $825M (the RRRP will continue to rollover with this facility) due on Nov 21)
-issue a rollover notice for $2B facility to say the $825M is being rolled over – note that I will need to borrow another approx. $225M too
-the AA # 10
This way all is in place by this week's end. Let me know or call me to discuss 905-403-6944.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 27, 2017 5:05 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FHP and Amending Agreement No. 10 - Order of Events

Hello Anthony and Victor,

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Currently there is $840M outstanding under the existing credit facility agreement; we cannot reduce the limit of the $975M to $475M while the $840M is still outstanding. As per our discussion with Anthony, we understand that it is IESO's intention that the next draw for the whole balance of $840M (plus any new advancement) will be entirely funded through the new FHP facility (i.e. that is move all funding for next draw on November 21st from the existing $975 million Credit Facility to the $2 Billion FHP Credit Facility).

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From:	Sarah Harris
To:	William Tan
Subject:	FW: FHP credit facility agreement - intercept
Date:	Thursday, September 21, 2017 8:46:48 AM

Hi Will,
We can sit in this call together…I have yet to hear when it will be scheduled.
Sarah

From: Sarah Neville
Sent: Wednesday, September 20, 2017 7:59 PM
To: John Kim
Cc: Anna Strathy ; Sarah Harris ; Lisa Stein
Subject: Re: FHP credit facility agreement - intercept
OK - I will make myself available. Might be helpful to have everyone who needs to be engaged on the same call so that we can get a decision and answer any questions.
Sarah

Sent from my iPhone

On Sep 20, 2017, at 4:57 PM, John Kim <John.Kim@ofina.on.ca> wrote:

> Ok, thanks Sarah. I asked Tom for his availability tomorrow suggesting that I'd organize a call with our legal staff.
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so it would not surprise me if they expressed frustration around the proposed approach and the delay.
As mentioned in my earlier email, this will be brought up potentially at tomorrow's meeting.
Thanks,
John

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Sent: Wednesday, September 20, 2017 4:36 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP credit facility agreement - intercept

Hi John –
Toby from MOF Legal just called Lisa. Tom McKinley, counsel from MOE reached out to him in response to your memo to find out what the rationale was for the memo, apparently IESO reached out to Energy and expressed concern about what was going on.
I think it may be prudent to arrange for a policy level call tomorrow to provide reassurance that there is no substantive issue here, but in the absence of a directive we require inclusion of the intercept provisions. Notwithstanding that there are currently no appropriations. Once this is done the loan agreement can be finalized without further delay.
I've copied Anna given your earlier heads up to her. Please let me know how you would like to proceed.
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Sent: Wednesday, September 20, 2017 4:23 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: FHP credit facility agreement - intercept

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Please note that I will be away until Monday. I've provided Sarah Neville with a draft version of the agreement containing intercept provisions. In the even that this matter moves forward in the next couple of days, please contact Sarah.
Thank you,
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Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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From: William Tan
To: Sarah Harris
Subject: FW: FHP logistics
Date: Wednesday, October 25, 2017 11:55:34 AM

Hi Sarah,

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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, October 25, 2017 11:09 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: Re: FHP logistics

I am out of the office this week but would expect we should sign the intercept, the 2b facility, and 475m at the same time.

In terms of notices for mid Nov i would expect the current $825m outstanding would just roll over to be on the 2B facikity without any actual cash being moved.

Regards.

From: William.Tan@ofina.on.ca
Sent: October 24, 2017 5:00 PM
To: Anthony.Martinello@ieso.ca
Subject: FHP logistics

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From:	Hanslep, Malle (MOF)
To:	Sarah Harris
Cc:	Tobias P. Whitfield (MOF)
Subject:	FW: Fair Hydro -- Change of Law Assumption Agreement
Date:	Wednesday, October 25, 2017 2:44:55 PM
Attachments:	Response to OPG comments on Change of Law Protection Agreement.docx

---

From: Whitfield, Tobias P. (MOF)
Sent: October 13, 2017 4:47 PM
To: Mansoori, Nina
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Please find attached our comments on your response of October 6. We have moved the text of your email to the attached document and responded inline in square brackets for ease of review.

We recognize that we are running out of time, and that we should discuss and move this forward at the beginning of next week.

We also generally recognize that, although there are still some gaps in our respective approaches, we would find it helpful to have some more specific suggestions and comments on our Sept. 27 draft in order to help move this forward. This might include also the timing issues, with some indication of where, if OPG finds the timing does not work, some alternatives can be suggested for consideration.

Best

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: October 6, 2017 5:58 PM
To: Whitfield, Tobias P. (MOF)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,

Nina

Accounting Issues:

E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence

-that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt

-the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts)

-the negative pledge with respect to the exercise of certain options on the debt

-the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have. Please also advise if the Province's accountants have reviewed the proposal.

Practical Issues:

- The procedural steps to bind the Province are lengthy and complicated. From our perspective, as drafted, OPG will likely have to seek Provincial approval on each debt issuance (which weakens the accounting as discussed above). The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself. Setting aside the mechanics of how we get there, the dealers want comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement. We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met. The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.
- In addition to the accounting concerns, the level of detail and frequency of reporting

required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.

Drafting Issues:

- Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.
- We'd like to understand the reason OPG's management fees have been excluded. We assume you do not intend for OPG's reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? Please advise why taxes are being excluded?
- There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.
- We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: September-27-17 4:21 PM
To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Mansoori, Nina <nmansoori@torys.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Rima,

Further to our earlier conversations, please find attached our proposed process for confirmation of application of the Protection Agreement.

We would be happy to discuss further when you have had a chance to review.

Best

Toby

Tobias Whitfield
Counsel, Legal Services Branch

Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: September 25, 2017 12:21 PM
To: 'STEPHEN.ASHBOURNE@blakes.com'; Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Good morning all, just following up on our email below. Please let us know when we should expect your feedback.

Many thanks,

Rima

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

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From: Ramchandani, Rima
Sent: September-19-17 9:55 PM
To: 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Fair Hydro -- Change of Law Assumption Agreement

Steve, Malle and Toby, further to our meeting the other day, set out below for your review is a proposal on the Provincial approval process under the Change of Law Assumption Agreement. Once we have your feedback on this, we will need to share it with Osler and the accountants and as John mentioned, we are under some time pressure to bring this to a resolution prior to the upcoming June 29 OPG Board meeting. We look forward to your comments, and feel free to reach out if you have any questions. -- Rima

Obligor Approval

The Change of Law Assumption Agreement will apply to all Specified Claims relating to Funding Obligations that are incurred by an Eligible Financing Entity in accordance with the Obligor's approval process. The definition of Specified Claims to be mutually agreed by all parties.

In order for a Financing Entity to become designated as an Eligible Financing Entity by the Obligor, prior to the initial issuance of Funding Obligations by such Financing Entity, the Obligor will be provided with copies of the following documents (collectively the "Program Documents") for review:

(i) the constating documents of such Financing Entity;

(ii) the management agreement between the Financing Entity and OPG;

(iii) the master transfer and servicing agreement between the Financing Entity and the IESO;
(iv) the master trust indenture governing the issuance of Funding Obligations by the Financing Entity;
(v) a form of supplemental indenture governing the issuance of bonds, issuable in series, by the Financing Entity;
(vi) a form of note purchase agreement or credit agreement governing the issuance of short term Funding Obligations by the Financing Entity;
(vii) a form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; and
(viii) such other documents as may be requested by the Obligor.

Once a Financing Entity is designated by the Obligor as an Eligible Financing Entity, it will not be necessary for the Obligor to approve the documentation related to specific issuances of Funding Obligations; however, OPG will be expected to notify the Obligor of any new material program documentation or any material amendments to existing program documentation before such new documentation or amendments become effective. The failure of OPG to provide any such notice will not invalidate the application of the Change of Law Assumption Agreement to any Specified Claims.

It will not be necessary for the Obligor to approve each new issuance of Funding Obligations provided that such Funding Obligations are issued in accordance with following:

(1) The Funding Obligations are issued in accordance with agreements that contain: (a) covenants of the Eligible Financing Entity that are no more onerous in any material respect and (b) events of default that are consistent in all material respects, respectively, with the covenants of the Eligible Financing Entity and events of default contained in the draft Program Documents.

(2) At least [30 days] prior to the initial issuance of Funding Obligations by an Eligible Financing Entity, OPG will provide the Obligor with a forecast of the principal amount and expected term of the Funding Obligations that OPG expects such Eligible Financing Entity to issue in accordance with the Financing Plan in the next two years (a "Two Year Forecast"). The execution of the Change of Law Assumption Agreement in respect of such Eligible Financing Entity shall constitute the Obligor's approval of the issuance of Funding Obligations by such Eligible Financing Entity in accordance with the Two Year Forecast.

(3) OPG shall provide the Obligor with an updated Two Year Forecast between 9 and 12 months prior to the expiry of each current Two Year Forecast.

(4) Unless the Obligor provides OPG with a written notice no later than 3 months prior to the date following receipt of the current Two Year Forecast that the Change of Law Assumption Agreement will be inapplicable with respect to new Funding Obligations incurred following the expiry of the current Two Year Forecast, the Obligor will be deemed to approve the application of the Change of Law Assumption Agreement to all Funding Obligations incurred up to the expiry of the new Two Year Forecast.

At the time of issuance of Funding Obligations by an Eligible Financing Entity, the Financing Entity will provide (i) any required certifications to the underwriters/agents that such Funding

Obligations are covered by the Change of Law Assumption Agreement; and (ii) notice to the Obligor of the material terms of the Funding Obligations issued, together with electronic copies of the final executed Program Documents.

P. 416.865.7666

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Le présent courriel et les documents qui y sont joints sont exclusivement réservés à l'utilisation des destinataires concernés et peuvent être de nature privilégiée ou confidentielle. Toute distribution, impression ou autre utilisation est interdite aux autres personnes. Si vous ne faites pas partie des destinataires concernés, veuillez en informer immédiatement l'expéditeur, ainsi que supprimer ce courriel et les documents joints de manière permanente.

[NOTE TO DRAFT: CONFIRM THAT TORYS IS REFERRING TO THE OFA/MOE PROPOSAL FROM SEPTEMBER 27TH.]

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,
Nina

Accounting Issues:
E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

[There is minimal oversight and input from the Province so long as the pre-agreed scope and parameters are adhered to.]

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence

[The proposal is that basic information regarding an incurrence will be provided to enable the province to (1) understand the nature and scope of the incurrence, to enable the Province to address internal governance considerations and (2) to be satisfied that the proposed incurrences are in-line with the pre-agreed parameters (the "Parameters"). The intention is not to curtail incurrences that follow the pre-agreed approach. The timing of the notice to the Province may be a point of discussion.]

-that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt
[As the entity running the program, OPG will be expected to provide the province with information sufficient to enable the province to make sure any incurrence falls inside the Parameters. The delivery of a certificate in an agreed form, just prior to the time of the incurrence, is meant to create a brightline test for the financing entity's counterparties to know that, so long as the certificate has been delivered (even if it's inaccurate), the Province will be bound. As you suggest below, any inaccuracy will give rise to considerations between the province and OPG. The delivery of the certificate at the time of an incurrence is considered an important due diligence confirmation for the province.
What is the basis for E&Y expressing a reservation regarding the province having access to underlying information about the "approved obligations", which in turn will define the scope of the

province's own obligations if called upon under the change of law protection agreement (CLPA)?]
-the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts)
[Any surety in a similar circumstance would want to know the nature and extent of the obligations incurred and to be incurred. That information is intended to allow the province to ensure compliance with the Parameters. Please provide an alternative proposal that meets OPGs requirements and still provides adequate information for the Province.]
-the negative pledge with respect to the exercise of certain options on the debt
[The idea is that if there is optionality in favour of the financing entity, and the exercise would affect the payment profile under the CLPA, such an exercise following a Protection Event should not affect the Province's payment obligations. In effect, the payment schedule will crystalize and cannot be accelerated or extended once the province becomes obligated to pay, following a Protection Event.]
-the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement
[The Province needs to understand the overall credit picture of the financing entity since it will become a creditor (through subrogation) if it is called on to perform. Exclusions are narrowly defined and should be minimal in practice.]

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have.
[These checks and balances are in-line with the province not writing a "blank cheque" in relation to future incurrences. Prudent sureties would be expected to exercise diligence - indeed to do less could be evidence of interdependence and non-arm's length terms, which presumably would be unhelpful to E&Y's analysis.] Please also advise if the Province's accountants have reviewed the proposal.
[The Province's accountants are involved in this process and are also reviewing the proposal]

Practical Issues:

- The procedural steps to bind the Province are lengthy and complicated.

[The OFHPA will involve very significant and complex financings. The process is intended to provide an appropriate level of third party enquiry given the size and scale of the financing program to the province and in order to ensure the issuances are within the Parameters.] From our perspective, as drafted, OPG will likely have to seek Provincial approval
[No approval is contemplated or expected by the Province, except if the incurrence is outside of the pre-agreed boundaries.] on each debt issuance (which weakens the accounting as discussed above)
[An explanation of the relevant accounting principles that E&Y has expressed concern about would assist the province to understand E&Y'S concerns. Also, a detailed list of any particular troublesome requirements would be helpful, with drafting suggestions as appropriate] [The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself.
[From the dealers' perspective, the three listed requirements (namely, (1) quantum under the program limit (2) delivery of the OPG certificate (3) absence of contrary notice from the Province) can be easily and objectively verified by the dealers. These process requirements should be reflected in the incurrence procedures as a check/balance at the relevant time, given that the province will not otherwise be directly involved in the incurrence process but will be obligated under the CLPA] Setting aside the mechanics of how we get there, the dealers want

comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement.

[As noted above, the three listed requirements can be easily and objectively confirmed by the dealers prior to a closing. inaccuracies or other failures within the certification process will not negate the Province's obligations] We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met.

[As noted, this due diligence check/balance is how the province will ensure the issuances satisfy the Parameters. It is anticipated that the Ministers will see this process as significant to the exercise of their authorities under OFHPA 5(3). Ultimately, the Province will depend on OPG, which is why the delivery of a certificate, without being impugned by an accuracy, is the contemplated adherence condition - rather than making the confirmation of certificate accuracy a condition, which we assume would be unwelcome by the underwriters.] The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.

[The Province wants an actual certificate to be delivered to it (not just the indenture trustee) as part of the closing process. Also, the program limit and failsafe disapproval notice are considered to be important safeguards for the province]

- In addition to the accounting concerns, the level of detail and frequency of reporting required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.
- [In the case of details not known at the time the OPG certificate is to be delivered (which will be expected to occur close to closing), it should be sufficient to indicate the process by which those details will be finalized. For example, it would be sufficient to say "interest rates to be set on or about [date] based on underwriting syndicate pricing indications".]

Drafting Issues:

- Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.
- [The proposal uses the specific defined terms from the OFHPA and regulation, in order to tie back to the statute and appropriately narrow the scope to the obligations that are reasonably known to require protection from the province. Considerable thought has been given to the approach reflected in the province's proposal. The Province wishes to focus on each inclusion that requires the support arrangements, which should then be net of available/free cash flows, set-offs, etc. Please provide specific comments on any specific items of concerns.]
- We'd like to understand the reason OPG's management fees have been excluded. [This is still an open question under consideration.] We assume you do not intend for OPG's

reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? [Under consideration] Please advise why taxes are being excluded?

[CRA does not require/is not entitled by law to the benefit of the protection arrangement. Please explain the logic of the request to include taxes]

- There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.

[For the Province's support arrangement to apply to an obligation, the quantum of the obligation must be factored into the program maximum test. if the obligation is a contingent obligation, the province's obligations must be capped so that the amount of the cap can be factored into the program limit test]

- We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

[In the interest of time, please provide any other detailed comments you may have on the September 27th version of the proposal as soon as possible]

From: Hanslep, Malle (MOF)
To: Sarah Harris
Cc: Tobias P. Whitfield (MOF)
Subject: FW: Fair Hydro -- Change of Law Assumption Agreement
Date: Wednesday, October 25, 2017 2:44:10 PM
Attachments: Warehouse Supplement - October 17, 2017.doc

FYI

-----Original Message-----

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: October 21, 2017 11:28 PM

To: Whitfield, Tobias P. (MOF)

Cc: 'LEE John -TREASURY'; 'RYFA Ken -TREASURY'; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'; Emes, Aaron; Mansoori, Nina

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thanks for your email. Based on the term sheet, since the Province isn't guaranteeing the obligations under these agreements but only stepping in if there is a change of law "protection event", we did not expect the drafting of the Change of Law Protection Agreement would be implicated by these other agreements (particularly now that we have proposed dealing with the Province's approval of the various program agreements in a separate procedures document). We also understand that in order to be in a position to close on a financing before year end, the Change of Law Protection Agreement needs to be substantially settled by early November. If that is still the case, then we expect the dealers and their counsel will need to see a draft in this coming week.

In the interest of time, we have attached an initial draft of the supplemental indenture for the warehouse facility which, as noted previously, has not yet been reviewed by OPG and Torys. The supplemental for the long term financing will be a simpler document - with mechanics for issuing the notes and pricing information but likely no additional covenants and events of default and no drawdown mechanics like the warehouse facility.

We will start copying the Province and Blakes on circulations of all documents going forward. Please let us know if the entire team on this email should be copied or only Blakes and the Provincial legal team.

Best Regards,

Nina

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: October-21-17 8:53 AM

To: Mansoori, Nina <nmansoori@torys.com>

Cc: 'LEE John -TREASURY' <john.s.lee@opg.com>; 'RYFA Ken -TREASURY' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com>; Emes, Aaron <aemes@torys.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: Re: Fair Hydro -- Change of Law Assumption Agreement

Nina,

We are working on a draft of the Change of Law Protection Agreement, but cannot complete the drafting until we have seen a draft of the Supplemental Indenture and the other instruments that are to be guaranteed.

We are also working on drafting some responses and comments to your comments from Wednesday on the approval process document, and will get back to you with those soon.

Best

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

777 Bay Street, 11th Floor

Toronto, ON, M5G 2C8

tobias.whitfield@ontario.ca

Phone: 416-325-1456

From: Mansoori, Nina

Sent: Friday, October 20, 2017 10:23 AM

To: Whitfield, Tobias P. (MOF)

Cc: 'LEE John -TREASURY'; 'RYFA Ken -TREASURY'; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'; Emes, Aaron; Mansoori, Nina

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

In the interest of time, we have drafted a procedures agreement incorporating the approval mechanics we circulated below. As noted in previous correspondence, we think the approval process should be the subject of a separate agreement and not included in the Change of Law Protection Agreement you are drafting. Please note that the attached remains subject to the continuing review of OPG and Torys.

Can you please also let us know when we can expect to see a draft of the Change of Law Protection Agreement?

Many thanks,

Nina

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Mansoori, Nina

Sent: October-18-17 9:53 AM

To: 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>

Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby – further to discussions between OPG and the Province, please find attached comments on the draft proposal under the Change of Law Protection Agreement (blacklined to the draft circulated below). The attached reflects our comments from accounting, operational and financeability perspectives. In particular, the financeability of the program will turn on whether there is a clear and concise way for investors to determine that an incurrence of funding obligations will be covered under the Change of Law Protection Agreement and that, once confirmed, the confirmation is irrevocable. Accordingly, we have proposed in the attached that a simple confirmation from OPG to a third party binds the Province in respect of the incurrence of the applicable funding obligations provided that OPG has satisfied the requirements of the approval process (which we propose be the subject of a separate procedures agreement or memo). Please note that the attached remains subject to the review of the working group including the dealers and the rating agencies.

Best Regards,

Nina

Nina Mansoori

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: October-13-17 4:47 PM

To: Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>

Cc: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca<mailto:Mark.Donaldson@ontario.ca>>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca<mailto:Scott.Nelms@ontario.ca>>; Devine, James (OFA) <James.Devine@ofina.on.ca<mailto:James.Devine@ofina.on.ca>>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca<mailto:Carlos.Yep@ofina.on.ca>>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Cengarle, John (MOF) <John.Cengarle@ontario.ca<mailto:John.Cengarle@ontario.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Katona, Keley (MOF) <Keley.Katona@ontario.ca<mailto:Keley.Katona@ontario.ca>>; He, Gavin (OFA) <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca<mailto:Anis.Hirani@ofina.on.ca>>; Kim, John (OFA) <John.Kim@ofina.on.ca<mailto:John.Kim@ofina.on.ca>>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Please find attached our comments on your response of October 6. We have moved the text of your email to the attached document and responded inline in square brackets for ease of review.

We recognize that we are running out of time, and that we should discuss and move this forward at the beginning of next week.

We also generally recognize that, although there are still some gaps in our respective approaches, we would find it helpful to have some more specific suggestions and comments on our Sept. 27 draft in order to help move this forward. This might include also the timing issues, with some indication of where, if OPG finds the timing does not work, some alternatives can be suggested for consideration.

Best

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca<mailto:tobias.whitfield@ontario.ca>

Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: October 6, 2017 5:58 PM

To: Whitfield, Tobias P. (MOF)

Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka;

Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,

Nina

Accounting Issues:

E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence -that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt -the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts) -the negative pledge with respect to the exercise of certain options on the debt -the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have. Please also advise if the Province's accountants have reviewed the proposal.

Practical Issues:

* The procedural steps to bind the Province are lengthy and complicated. From our perspective, as drafted, OPG will likely have to seek Provincial approval on each debt issuance (which weakens the accounting as discussed above). The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself. Setting aside the mechanics of how we get there, the dealers want comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement. We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met. The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.

* In addition to the accounting concerns, the level of detail and frequency of reporting required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.

Drafting Issues:

* Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.

* We'd like to understand the reason OPG's management fees have been excluded. We assume you do not intend for OPG's reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? Please advise why taxes are being excluded?

* There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.

* We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: September-27-17 4:21 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; 'WONG Leslie - LAWDIV' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>

Cc: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca<mailto:Mark.Donaldson@ontario.ca>>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca<mailto:Scott.Nelms@ontario.ca>>; Devine, James (OFA) <James.Devine@ofina.on.ca<mailto:James.Devine@ofina.on.ca>>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca<mailto:Carlos.Yep@ofina.on.ca>>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Cengarle, John (MOF) <John.Cengarle@ontario.ca<mailto:John.Cengarle@ontario.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Katona, Keley (MOF) <Keley.Katona@ontario.ca<mailto:Keley.Katona@ontario.ca>>; He, Gavin (OFA) <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca<mailto:Anis.Hirani@ofina.on.ca>>; Kim, John (OFA) <John.Kim@ofina.on.ca<mailto:John.Kim@ofina.on.ca>>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Rima,

Further to our earlier conversations, please find attached our proposed process for confirmation of application of the Protection Agreement.

We would be happy to discuss further when you have had a chance to review.

Best

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca<mailto:tobias.whitfield@ontario.ca>

Phone: 416-325-1456

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: September 25, 2017 12:21 PM

To: 'STEPHEN.ASHBOURNE@blakes.com'; Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)

Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Feldman, Michael; Mansoori, Nina

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Good morning all, just following up on our email below. Please let us know when we should expect your feedback.

Many thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

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From: Ramchandani, Rima

Sent: September-19-17 9:55 PM

To: 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>

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Subject: Fair Hydro -- Change of Law Assumption Agreement

Steve, Malle and Toby, further to our meeting the other day, set out below for your review is a proposal on the Provincial approval process under the Change of Law Assumption Agreement. Once we have your feedback on this, we will need to share it with Osler and the accountants and as John mentioned, we are under some time pressure to bring this to a resolution prior to the upcoming June 29 OPG Board meeting. We look forward to your comments, and feel free to reach out if you have any questions. -- Rima

Obligor Approval

The Change of Law Assumption Agreement will apply to all Specified Claims relating to Funding Obligations that are incurred by an Eligible Financing Entity in accordance with the Obligor's approval process. The definition of Specified Claims to be mutually agreed by all parties.

In order for a Financing Entity to become designated as an Eligible Financing Entity by the Obligor, prior to the initial issuance of Funding Obligations by such Financing Entity, the Obligor will be provided with copies of the following documents (collectively the "Program Documents") for review:

(i) the constating documents of such Financing Entity;

(ii) the management agreement between the Financing Entity and OPG;

(iii) the master transfer and servicing agreement between the Financing Entity and the IESO;

(iv) the master trust indenture governing the issuance of Funding Obligations by the Financing Entity;

(v) a form of supplemental indenture governing the issuance of bonds, issuable in series, by the Financing Entity;

(vi) a form of note purchase agreement or credit agreement governing the issuance of short term Funding Obligations by the Financing Entity;

(vii) a form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; and

(viii) such other documents as may be requested by the Obligor.

Once a Financing Entity is designated by the Obligor as an Eligible Financing Entity, it will not be necessary for the Obligor to approve the documentation related to specific issuances of Funding Obligations; however, OPG will be expected to notify the Obligor of any new material program documentation or any material amendments to existing program documentation before such new documentation or amendments become effective. The failure of OPG to provide any such notice will not invalidate the application of the Change of Law Assumption Agreement to any Specified Claims.

It will not be necessary for the Obligor to approve each new issuance of Funding Obligations provided that such Funding Obligations are issued in accordance with following:

(1) The Funding Obligations are issued in accordance with agreements that contain: (a) covenants of the Eligible Financing Entity that are no more onerous in any material respect and (b) events of default that are consistent in all material respects, respectively, with the covenants of the Eligible Financing Entity and events of default contained in the draft Program Documents.

(2) At least [30 days] prior to the initial issuance of Funding Obligations by an Eligible Financing Entity, OPG will provide the Obligor with a forecast of the principal amount and expected term of the Funding Obligations that OPG expects such Eligible Financing Entity to issue in accordance with the Financing Plan in the next two years (a "Two Year Forecast"). The execution of the Change of Law Assumption Agreement in respect of such Eligible Financing Entity shall constitute the Obligor's approval of the issuance of Funding Obligations by such Eligible Financing Entity in accordance with the Two Year Forecast.

(3) OPG shall provide the Obligor with an updated Two Year Forecast between 9 and 12 months prior to the expiry of each current Two Year Forecast.

(4) Unless the Obligor provides OPG with a written notice no later than 3 months prior to the date following receipt of the current Two Year Forecast that the Change of Law Assumption Agreement will be inapplicable with respect to new Funding Obligations incurred following the expiry of the

current Two Year Forecast, the Obligor will be deemed to approve the application of the Change of Law Assumption Agreement to all Funding Obligations incurred up to the expiry of the new Two Year Forecast.

At the time of issuance of Funding Obligations by an Eligible Financing Entity, the Financing Entity will provide (i) any required certifications to the underwriters/agents that such Funding Obligations are covered by the Change of Law Assumption Agreement; and (ii) notice to the Obligor of the material terms of the Funding Obligations issued, together with electronic copies of the final executed Program Documents.

P. 416.865.7666

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permanente.

SERIES 2017-1 SUPPLEMENTAL INDENTURE

between

[ISSUER] TRUST

by

● TRUST COMPANY OF CANADA
as Issuer Trustee

and

● TRUST COMPANY OF CANADA
as Indenture Trustee

and

●
as Administrative Agent

and

CERTAIN CP CONDUIT PURCHASERS,
CERTAIN NON-CONDUIT PURCHASERS
CERTAIN FUNDING AGENTS
and CERTAIN GROUP BANKS

Made as of ●, 2017

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FLOATING RATE VARIABLE FUNDING SENIOR NOTES, SERIES 2017-1

SUPPLEMENTAL INDENTURE made as of ●, 2017, between ● **Trust Company of Canada**, a trust company established under the laws of Canada (the "**Issuer Trustee**"), in its capacity as trustee of ●, a trust existing under the laws of the Province of Ontario (in such capacity, the "**Issuer**"), ● **Trust Company of Canada**, a trust company established under the laws of Canada (the "**Indenture Trustee**"), ●, in its capacity as the administrative agent for the Purchaser Groups (the "**Administrative Agent**"), the **Non-Conduit Purchasers** from time to time party hereto, the **CP Conduit Purchasers** from time to time party hereto, and the **Funding Agents** for the CP Conduit Purchaser Groups from time to time party hereto.

WHEREAS pursuant to the Trust Indenture, provision was made for the issuance of Notes from time to time;

AND WHEREAS pursuant to the Trust Indenture, the Notes may be issued in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of the Series 2017-1 Senior Notes;

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) The provisions of Section 1.1 of the Trust Indenture are applicable to this Supplemental Indenture. All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article 1 of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2017-1 Senior Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental Indenture are

applicable only in respect of the Series 2017-1 Senior Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2017-1 Senior Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2017-1 Senior Notes in accordance with Section 1.2 above.

ARTICLE 2
PRINCIPAL TERMS

2.1 Creation of Series 2017-1 Senior Notes

There is hereby created a Series of Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**Floating Rate Variable Funding Senior Notes, Series 2017-1**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2017-1 Senior Notes:

(a) will be designated as set out in Section 2.1;

(b) will be Senior Notes;

(c) will have a Stated Principal Amount equal to the Series 2017-1 Maximum Principal Amount;

(d) will not be issued in Classes or Tranches;

(e) will be denominated in Canadian dollars;

(f) will not be listed on any securities exchange;

(g) will have an Initial Dollar Principal Amount equal to the Series 2017-1 Initial Principal Amount;

(h) will be issued as definitive notes and will not be in the form of a Global Note;

(i) will be issued as Registered Notes and will be without coupons;

(j) will be Senior Notes and will not be subordinated to any other Series, Class or Tranche of Notes;

(k) will be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Issuer Trustee;

(l) will have a Principal Payment Due Date that is the Series 2017-1 Principal Payment Due Date;

(m) will have a Principal Payment Default Date that is the Series 2017-1 Principal Payment Default Date; and

(n) will have no minimum issue amount.

ARTICLE 3
NOTE PURCHASE FACILITY

3.1 Purchase of Notes by the Purchasers

(a) ***Initial Purchases***. Subject to the terms and conditions of this Supplemental Indenture, including delivery of notice in accordance with Section 3.3, (i) each Non-Conduit Purchaser shall purchase, and each CP Conduit Purchaser may, in its sole discretion, purchase a Series 2017-1 Senior Note in an amount equal to all or a portion of its Commitment Percentage of the Series 2017-1 Initial Principal Amount on any Business Day during the period from the date hereof to and including **[December 15, 2017]**, and if any such CP Conduit Purchaser shall have notified the Administrative Agent and the Funding Agent with respect to such CP Conduit Purchaser that it has elected not to fund a Series 2017-1 Senior Note in an amount equal to its Commitment Percentage of the Series 2017-1 Initial Principal Amount on the Series 2017-1 Closing Date, the Group Bank with respect to such CP Conduit Purchaser shall fund on the Series 2017-1 Closing Date that portion of such Series 2017-1 Senior Note not to be funded by such CP Conduit Purchaser; and (ii) thereafter, (A) each Non-Conduit Purchaser shall maintain its Series 2017-1 Senior Note, subject to increase or decrease during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date, in accordance with the provisions of this Supplemental Indenture, (B) if a CP Conduit Purchaser shall have purchased a Series 2017-1 Senior Note on the Series 2017-1 Closing Date, such CP Conduit Purchaser may, in its sole discretion, maintain its Series 2017-1 Senior Note, subject to increase or decrease during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date, in accordance with the provisions of this Supplemental Indenture, and (C) the Group Bank shall maintain its Series 2017-1 Senior Note with respect to its Related Purchaser Group, subject to increase or decrease during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date, in accordance with the provisions of this Supplemental Indenture. Payments by the Non-Conduit Purchasers, the CP Conduit Purchasers and/or the Group Bank with respect to the CP Conduit Purchasers shall be made in immediately available funds on the Series 2017-1 Closing Date in accordance with Section 3.3(d).

(b) ***Maximum Purchaser Group Principal Amounts***. Notwithstanding anything to the contrary contained in this Supplemental Indenture, at no time shall a Purchaser Group be required to make the initial purchase of a Series 2017-1 Senior Note or increase its Purchaser Group Principal Amount if the sum of (x) Purchaser Group Principal Amount with respect to such Purchaser Group, after giving effect to such purchase or increase, and (y) the sum of any unfunded Delayed Amounts with respect to such Purchaser Group, would exceed the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group at such time.

3.2 Delivery

(a) On the Series 2017-1 Closing Date (or on any later date that any Purchaser Group becomes a party to this Supplemental Indenture), Series 2017-1 Senior Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture (i) in the case of a CP Conduit Purchaser Group, in the name of the Funding Agent with respect to such CP Conduit Purchaser Group (or as otherwise requested by such CP Conduit Purchaser Group and agreed to by the Issuer) in an amount equal to the Maximum Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group and delivered to such Funding Agent; or (ii) in the case of a Non-Conduit Purchaser Group, in the name of the Related Non-Conduit Purchaser in an amount equal to the Maximum Purchaser Group Principal Amount with respect to such Related Non-Conduit Purchaser Group and delivered to such Related Non-Conduit Purchaser.

(b) The Administrative Agent shall maintain a record of the actual Purchaser Group Principal Amount outstanding with respect to each Purchaser Group and the actual Series 2017-1 Principal Amount outstanding on any date of determination, which, absent manifest error, shall constitute prima facie evidence of the outstanding Purchaser Group Principal Amounts and outstanding Series 2017-1 Principal Amount from time to time. Upon a written request from the Indenture Trustee, the Administrative Agent shall provide in writing the identity of the Purchaser Groups, the related Funding Agents for each CP Conduit Purchaser Group, the Purchaser Group Principal Amount for each Purchaser Group and the Commitment Percentage with respect to such Purchaser Group to the Indenture Trustee.

3.3 Procedure for Initial Issuance and for Increasing the Series 2017-1 Principal Amount

(a) (i) On any Business Day prior to [**December 15, 2017**], in the case of a Non-Conduit Purchaser Group, the Related Non-Conduit Purchaser hereby agrees, or in the case of a CP Conduit Purchaser Group, the CP Conduit Purchaser in such CP Conduit Purchaser Group may agree, in its sole discretion, and the Group Bank with respect to such CP Conduit Purchaser hereby agrees, that it will purchase a Series 2017-1 Senior Note for an initial purchase price equal to the Commitment Percentage with respect to such Purchaser Group of the Series 2017-1 Initial Principal Amount upon the request of the Issuer (the date on which the initial purchase occurs being referred to as the "**Series 2017-1 Closing Date**"); provided, however, that the Issuer shall have given the Administrative Agent (with a copy to the Indenture Trustee) irrevocable written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Schedule C no later than **[3:00 p.m.]** (Toronto time) on the third Business Day prior to the Series 2017-1 Closing Date. The written notice of the initial purchase of the Series 2017-1 Senior Notes shall state (x) the Series 2017-1 Closing Date, and (y) the initial total purchase price to be paid for the Series 2017-1 Senior Notes (the "**Series 2017-1 Initial Principal Amount**"); and (ii) subject to Section 3.3(e), on any Business Day during the period from the initial purchase of the Series 2017-1 Senior Notes hereunder to and including the Commitment Expiry Date, in the case of a Non-Conduit Purchaser Group, the Related Non-Conduit Purchaser hereby agrees, or in the case of a CP Conduit Purchaser Group, the CP Conduit Purchaser in such CP Conduit Purchaser Group may agree, in its sole discretion, and the Group Bank with respect to such CP Conduit Purchaser hereby agrees that the Purchaser Group Principal Amount with respect to such Purchaser Group may be increased by an amount equal to the Commitment Percentage with respect to such Purchaser Group of the Increase Amount (an

"**Increase**"), upon the request of the Issuer (each date on which an increase in the Series 2017-1 Principal Amount occurs hereunder being herein referred to as the "**Increase Date**" applicable to such Increase); provided, however, that the Issuer shall have given the Administrative Agent (with a copy to the Indenture Trustee) irrevocable (other than as specified in Section 3.3(e)) written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Schedule C (an "**Increase Notice**") no later than **[3:00 p.m.]** (Toronto time) on (A) with respect to a Deferrable Increase Notice, the third Business Day prior to such Increase Date, or (B) with respect to a Non-Deferrable Increase Notice, the second Business Day prior to such Increase Date. Each Increase Notice shall state (x) the Increase Date, (y) the proposed amount of the increase in the Series 2017-1 Principal Amount (an "**Increase Amount**"), (z) whether a Delayed Funding Notice may be delivered in connection with such Increase pursuant to Section 3.3(e) and whether the Increase is to fund a Transfer (a "**Transfer Increase**") or is in respect of a Refinancing (a "**Refinancing Increase**"). The Commitment Percentage with respect to any Purchaser Group of the Increase Amount set forth in any Non-Deferrable Increase Notice shall not exceed such Purchaser Group's Non-Deferrable Draw Amount as of the related Increase Date.

(b) If a CP Conduit Purchaser elects not to fund the full amount of its Commitment Percentage of a requested Increase, such CP Conduit Purchaser shall notify the Administrative Agent and the Funding Agent with respect to such CP Conduit Purchaser, and the Group Bank with respect to such CP Conduit Purchaser shall fund the portion of the Commitment Percentage with respect to such Related Purchaser Group of such Increase not funded by such CP Conduit Purchaser.

(c) No Purchaser Group shall be required to increase its Purchaser Group Principal Amount on any Increase Date hereunder unless:

(i) such Purchaser Group's Commitment Percentage of such Increase Amount is equal to (A) $**[1,000,000]** or more, or (B) if less, the excess of the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group over the Purchaser Group Principal Amount with respect to such Purchaser Group; and

(ii) after giving effect to such Increase Amount, the sum of the (x) the Purchaser Group Principal Amount, and (y) any unfunded Delayed Amounts with respect to such Purchaser Group would not exceed the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group;

(d) Upon receipt of any notice required by Section 3.3(a) or permitted by Section 3.3(e) from the Issuer, the Administrative Agent shall forward (by telecopy or electronic messaging system) a copy of such notice to each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group (or, with respect to any notice pursuant to Section 3.3(e) requiring a Delayed Funding Purchaser Group to decrease its Delayed Amount, the applicable Non-Conduit Purchaser or Funding Agent), no later than **[5:00 p.m.]** (Toronto time) on the day received. After receipt by any Funding Agent with respect to a CP Conduit Purchaser Group of such notice from the Administrative Agent, such Funding Agent shall, so long as the conditions set forth in Sections 3.3(a) and (c) and Article 4 are satisfied, promptly provide telephonic notice to the related CP Conduit Purchaser and the related Group Bank, of the Increase Date and of such CP Conduit Purchaser Group's Commitment Percentage of the Series 2017-1 Closing Date or Increase Amount, as applicable. Subject to Section 3.3(e), if such CP Conduit Purchaser

elects to fund all or a portion of its Commitment Percentage of the Series 2017-1 Initial Principal Amount or the Increase Amount, as applicable, such CP Conduit Purchaser shall pay in immediately available funds its Commitment Percentage (or any portion thereof) of the amount of the Series 2017-1 Initial Principal Amount or Increase Amount, as applicable, on the Series 2017-1 Closing Date or the related Increase Date, as applicable, to the Funding Agent with respect to such CP Conduit Purchaser Group for remittance to the Indenture Trustee for application in accordance with Section 3.3(h). Subject to Section 3.3(e), if such CP Conduit Purchaser does not fund the full amount of the Commitment Percentage of such CP Conduit Purchaser Group of the Series 2017-1 Initial Principal Amount or an Increase Amount, as applicable, and the related Group Bank is required to fund the portion thereof not funded by the CP Conduit Purchaser, such Group Bank shall pay in immediately available funds such portion on the Series 2017-1 Closing Date or the related Increase Date, as applicable, to the Funding Agent with respect to such CP Conduit Purchaser Group. Each Funding Agent shall remit the amounts received by it from its CP Conduit Purchaser or the related Group Bank pursuant to this Section 3.3(d) to the Indenture Trustee for application in accordance with Section 3.3(h). Subject to Section 3.3(e), so long as the conditions set forth in Sections 3.3(a) and (c) and Article 4 are satisfied, each Non-Conduit Purchaser shall pay in immediately available funds the Commitment Percentage of such Non-Conduit Purchaser of the amount of the Series 2017-1 Initial Principal Amount or Increase Amount, as applicable, on the Series 2017-1 Closing Date or the Increase Date, as applicable, to the Indenture Trustee for application in accordance with Section 3.3(h).

(e) Notwithstanding any of the foregoing, any Group Bank or Non-Conduit Purchaser who shall have previously notified the Issuer in writing that it or any related Program Support Provider may, in the absence of the Group Bank or Non-Conduit Purchaser having the ability to deliver Delayed Funding Notices hereunder, incur charges under, or in anticipation of, Basel III (which may include external charges incurred by the Group Bank, Non-Conduit Purchaser or Program Support Provider or internal charges incurred by any of their businesses) in respect of its Commitment hereunder or any agreement to support such Commitment, or in respect of its interest in the Series 2017-1 Senior Notes, based on its "liquidity coverage ratio" calculated under Basel III, may, upon receipt of any Deferrable Increase Notice pursuant to Section 3.3(a), notify the Issuer in writing (a "**Delayed Funding Notice**") on or prior to **[12:00 noon]** (Toronto time) on the second Business Day preceding the related Increase Date, of its intent to fund an amount up to its Commitment Percentage of the related Increase Amount (such amount, subject to any adjustment described below, the "**Delayed Amount**") on a Business Day that is on or before the thirty-third (33rd) day following the Increase Date specified in such Deferrable Increase Notice (the "**Delayed Funding Date**") rather than on such Increase Date. If any Group Bank or Non-Conduit Purchaser provides a Delayed Funding Notice to the Issuer following the Issuer's delivery of an Increase Notice pursuant to Section 3.3(a), the Issuer may with written notice to the Administrative Agent delivered prior to 3:00 pm on the second Business Day preceding such Increase Date, (x) decrease the Increase Amount with respect to such Deferrable Increase Notice (or revoke such Deferrable Increase Notice by decreasing the Increase Amount to zero), and/or (y) require any Group Bank or Non-Conduit Purchaser who has provided a Delayed Funding Notice to reduce the Delayed Amount with respect to such Increase by an amount no greater than the Non-Deferrable Draw Amount with respect to such Purchaser Group as of the related Increase Date. In the event that the Increase Amount with respect to such Deferrable Increase Notice is reduced, but not to zero, then any Delayed Amount with respect to any Purchaser Group shall be reduced on a pro rata basis unless otherwise specified by the Issuer

pursuant to clause (y) above. No Purchaser Group that has provided a Delayed Funding Notice in respect of an Increase (each a "**Delayed Funding Purchaser Group**") shall be considered to be in default of its obligation to fund its Delayed Amount pursuant to this Section 3.3 unless and until it has failed to fund the Delayed Amount (and/or the Delayed Funding Reimbursement Amount with respect to such Delayed Amount) on or before the Delayed Funding Date.

(f) If (i) one or more Delayed Funding Purchaser Groups provides a Delayed Funding Notice to the Issuer in respect of any Increase Date; and (ii) the Issuer shall not have decreased the related Increase Amount to zero or required each such Delayed Funding Purchaser Group to reduce the Delayed Amount with respect to such Increase to zero, in each case, pursuant to Section 3.3(e), the Administrative Agent shall, by no later than **[12:00 noon]** (Toronto time) on the Business Day preceding such Increase Date, direct each Purchaser Group that is not a Delayed Funding Purchaser Group with respect to such Increase Date (each a "**Non-Delayed Funding Purchaser Group**") to fund an additional portion of such Increase Amount on such Increase Date equal to such Non-Delayed Funding Purchaser Group's proportionate share (based upon the Maximum Purchaser Group Principal Amount with respect to such Non-Delayed Funding Purchaser Group relative to the sum of the Maximum Purchaser Group Principal Amounts with respect to all Non-Delayed Funding Purchaser Groups) of the aggregate Delayed Amounts with respect to such Increase Date; provided that no Non-Delayed Funding Purchaser Group shall be required to fund any portion of the aggregate Delayed Amounts that would cause its Purchaser Group Principal Amount to exceed its Maximum Purchaser Group Principal Amount. Subject to Section 3.3(a), in the case of a Non-Delayed Funding Purchaser Group that is a Non-Conduit Purchaser, such Non-Conduit Purchaser hereby agrees, or, in the case of a Non-Delayed Funding Purchaser Group that is a CP Conduit Purchaser Group, the CP Conduit in such CP Conduit Purchaser Group may agree, in its sole discretion, and the Group Bank in such CP Conduit Purchaser Group hereby agrees, to fund such portion of the Increase Amount on such Increase Date.

(g) After the Non-Delayed Funding Purchaser Groups fund a Delayed Amount on any Increase Date in accordance with Section 3.3(f), the Delayed Funding Purchaser Group in respect of such Delayed Amount will be obligated to fund the Delayed Funding Reimbursement Amount with respect to such Delayed Amount on or before its Delayed Funding Date, irrespective of whether the Scheduled Commitment Expiry Date shall have occurred on or prior to such Delayed Funding Date or the Issuer would be able to satisfy the conditions set forth in Section 3.3(c) to an Increase in an amount equal to such Delayed Funding Reimbursement Amount on such Delayed Funding Date. Such Delayed Funding Purchaser Group shall fund such Delayed Funding Reimbursement Amount on such Delayed Funding Date by paying such amount to the Administrative Agent in immediately available funds, and the Administrative Agent shall distribute such funds to each such Non-Delayed Funding Purchaser Group, *pro rata* based on the relative amount of such Delayed Amount funded by such Non-Delayed Funding Purchaser Group on such Increase Date pursuant to Section 3.3(f).

(h) The Indenture Trustee shall apply amounts paid to it pursuant to Section 3.3(d) in the following order of priority:

(i) As to an amount equal to the Series 2017-1 Cash Reserve Required Amount, by deposit to the Series 2017-1 Cash Reserve Account; and

(ii) as to the balance, in respect of the proceeds of the initial purchase of the Series 2017-1 Notes or a Transfer Increase, by application to payment of the purchase price payable by the Issuer to the IESO under the Master Transfer and Servicing Agreement in respect of the related Transfer and, in respect of the proceeds of a Refinancing Increase, by deposit to the Refinancing Account.

3.4 Procedure for Decreasing the Series 2017-1 Principal Amount; Optional Termination

(a) In the case of a Non-Conduit Purchaser Group, the Related Non-Conduit Purchaser hereby agrees, and in the case of a CP Conduit Purchaser Group, each of the CP Conduit Purchasers and the Group Bank in such CP Conduit Purchaser Group hereby agrees, that the Purchaser Group Principal Amount with respect to such Purchaser Group may be decreased by an amount equal to the Commitment Percentage with respect to such Purchaser Group of a Decrease Amount (a "**Decrease**"), upon the request of the Issuer. Each date on which a Decrease in the Series 2017-1 Principal Amount occurs hereunder being herein referred to as the"**Decrease Date**" applicable to such Decrease; provided, however, that the Issuer shall have given the Administrative Agent (with a copy to the Indenture Trustee) irrevocable written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Schedule D (a "**Decrease Notice**") no later than **[3:00 p.m.]** (Toronto time) on the second Business Day prior to such Decrease Date. Each Decrease Notice shall state (x) the Decrease Date, (y) the proposed amount of the decrease in the Series 2017-1 Principal Amount (a "**Decrease Amount**"), and (z) whether the Decrease is being funded with the proceeds of a Refinancing (a "**Refinancing Decrease**") or pursuant to the application of collected Clean Energy Adjustments (a "**CEA Decrease**").

(b) Upon each Decrease, the Administrative Agent shall indicate in its records such Decrease and the Purchaser Group Principal Amount outstanding with respect to each Purchaser Group after giving effect to such Decrease. Upon receipt of any notice required by this Section 3.4(a) from the Issuer, the Administrative Agent shall forward (by telecopy or electronic messaging system) a copy of such notice to each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group, no later than **[1:00 p.m.]** (Toronto time) on the Business Day received.

(c) On any Business Day, the Issuer shall have the right to deliver an irrevocable written notice (an "**Optional Termination Notice**") to the Administrative Agent in which the Issuer declares that the Commitments shall terminate on the date (the "**Optional Termination Date**") set forth in such notice (which date, in any event, shall be a Payment Date not less than twenty Business Days from the date on which such notice is delivered). Upon receipt of any Optional Termination Notice from the Issuer, the Administrative Agent shall promptly notify each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group thereof.

3.5 Increases and Reductions of the Commitments

(a) The Issuer may from time to time request that any Purchaser Group agree to increase its Maximum Purchaser Group Principal Amount. An increase in such amount shall be effective hereunder if such Purchaser Group shall have agreed in its sole discretion to such increase.

(b) On any Business Day, the Issuer may, upon two (2) Business Days' prior written notice to the Administrative Agent (effective upon receipt) (with copies to the Indenture Trustee) reduce the Series 2017-1 Maximum Principal Amount in an amount equal to $**[10,000,000]** or a whole multiple of $**[1,000,000]** in excess thereof; provided that no such termination or reduction shall be permitted if, after giving effect thereto and to any reduction in the Series 2017-1 Principal Amount on such date, the Purchaser Group Principal Amount with respect to any Purchaser Group would exceed the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group then in effect. Any reduction in the Series 2017-1 Maximum Principal Amount shall be made on a pro rata basis to the Maximum Purchaser Group Principal Amounts with respect to the Purchaser Groups, based on the Maximum Purchaser Group Principal Amount with respect to each Purchaser Group. Once reduced, the Maximum Purchaser Group Principal Amounts may not be subsequently reinstated without each such Purchaser Group's prior written consent, which consent shall be granted or not in the sole discretion of such Purchaser Group.

(c) The Issuer may extend the Scheduled Commitment Expiry Date only with the prior written consent of the Administrative Agent, each Non-Conduit Purchaser and each Funding Agent.

3.6 Interest; Fees and Other Amounts

(a) Interest shall be payable on the Series 2017-1 Senior Notes on each Payment Date.

(b) The Issuer shall pay to each CP Conduit Purchaser Group and each Non-Conduit Purchaser, on each Payment Date, a commitment fee with respect to the preceding Billing Period (the "**Commitment Fee**") during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date in an amount equal to the sum of the following amounts calculated for each day during such Billing Period: (x) the Commitment Fee Rate, multiplied by (y) the amount by which Maximum Purchaser Group Principal Amount with respect to such Purchaser Group on such day exceeds the Purchaser Group Principal Amount with respect to such Purchaser Group on such day, and divided by (z) 365. The Commitment Fees shall be payable monthly in arrears on each Payment Date.

(c) The Funding Agent with respect to each CP Conduit Purchaser Group and each Non-Conduit Purchaser shall provide written notice to the Issuer no later than two Business Days prior to each Payment Date, setting forth the Monthly Interest, Fees and Other Amounts with respect to its Related Purchaser Group with respect to the preceding Billing Period.

(d) On each Payment Date, the Monthly Interest, Fees and Other Amounts shall be the amount payable in respect of the Series 2017-1 Notes pursuant to Section 7.04(e)(ii)(A) of the Trust Indenture or Section 8.13(b)(A) of the Trust Indenture, as applicable. On each Payment Date the Indenture Trustee shall, subject to availability of funds, pay to each CP Conduit Purchaser Group and each Non-Conduit Purchaser its Monthly Interest, Fees and Other Amounts with respect to the preceding Billing Period.

(e) If on any Payment Date when distributions of collections are being made under Section 7.04(e)(ii)(A) of the Trust Indenture the amount available to pay Monthly Interest, Fees and Other Amounts under such section is less the Monthly Interest, Fees and Other Amounts, an amount equal to the lesser of (x) such deficiency, and (y) the balance on deposit in the Series

2017-1 Cash Reserve Account shall be withdrawn from the Series 2017-1 Cash Reserve Account and applied to the payment of Monthly Interest, Fees and Other Amounts pursuant to Section 3.6(d).

(f) If the amounts deposited to the Series 2017-1 Distribution Account pursuant to Section 3.6(d) and amounts available pursuant to Section 3.6(e) are insufficient to pay all such amounts in full, the amount available shall be applied in the following order of priority:

(i) Firstly, in respect of Monthly Interest and if insufficient funds are available to pay Monthly Interest in full, to all Purchaser Groups, *pro rata* based on the amount of Monthly Interest owing to each Purchaser Group;

(ii) Secondly, in respect of Commitment Fees and if insufficient funds are available to pay Commitment Fees in full to all Purchaser Groups, *pro rata* based on the amount of Commitment Fees owing to each Purchaser Group; and

(iii) Thirdly, in respect of all other amounts owing to the Purchaser Groups and if insufficient funds are available to pay all other amounts owing in full to all Purchaser Groups, *pro rata* based on the amount of the other amounts owing to each Purchaser Group.

3.7 Repayment of Principal

(a) On each Payment Date, the Payment Date Waterfall Principal Amount shall be the principal amount payable in respect of the Series 2017-1 Senior Notes pursuant to Section 7.04(e)(iii)(A) of the Trust Indenture or Section 8.13(c)(A) of the Trust Indenture, as applicable. On each Payment Date the Indenture Trustee shall, subject to availability of funds, pay to each Non-Conduit Purchaser and each Funding Agent with respect to its Related Purchaser Group, such Purchaser Group's Pro Rata Share of the funds allocated to the Series 2017-1 Senior Notes pursuant to Section 7.04(e)(iii)(A) of the Trust Indenture or Section 8.13(c)(A) of the Trust Indenture, as applicable in repayment of the principal amount of the Series 2017-1 Notes.

(b) If on any Payment Date the amount available to the Purchaser Groups pursuant to Section 7.04(e)(iii)(A) of the Trust Indenture or Section 8.13(c)(A) of the Trust Indenture, as applicable, is less than the Payment Date Waterfall Principal Amount, an amount equal to the lesser of (x) such deficiency, and (y) the balance on deposit in the Series 2017-1 Cash Reserve Account shall be withdrawn from the Series 2017-1 Cash Reserve Account and applied to the repayment of principal amount of the Series 2017-1 Notes.

(c) On each Decrease Date in respect of a Refinancing Decrease Date, the Issuer shall pay to each Non-Conduit Purchaser and each Funding Agent with respect to its Related Purchaser Group, such Purchaser Group's Pro Rata Share of the Decrease Amount.

3.8 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee, the Administrative Agent, each Funding Agent, each CP Conduit Purchaser, the Group Bank, each Non-Conduit Purchaser and each of their respective officers, directors, agents and employees (each, an "**Issuer indemnified person**") from and against any loss, liability, expense, damage or injury suffered or

sustained by such Issuer indemnified person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer indemnified person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 3.8 shall be made solely from funds available pursuant to Section **[7.04]** of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

3.9 Funding Agents

(a) The Funding Agent with respect to each CP Conduit Purchaser Group is hereby authorized to determine the Monthly Interest and Fees with respect to each Billing Period and such CP Conduit Purchaser Group. Any such determination by a Funding Agent, absent manifest error, shall constitute prima facie evidence of the accuracy of the calculation. Furthermore, the Funding Agent with respect to each CP Conduit Purchaser Group will maintain records sufficient to identify the percentage interest of the related CP Conduit Purchaser and the Group Bank with respect to such CP Conduit Purchaser Group holding an interest in the Series 2017-1 Senior Note registered in the name of such Funding Agent and any amounts owing thereunder.

(b) Upon receipt of funds on each Payment Date and the date of any Decrease, each Funding Agent shall pay such funds to the related CP Conduit Purchaser and/or the related Group Bank owed such funds. If a Funding Agent shall have paid to any CP Conduit Purchaser or Group Bank any funds that (i) must be returned for any reason (including bankruptcy); or (ii) exceeds that which such CP Conduit Purchaser or Group Bank was entitled to receive, such amount shall be promptly repaid to such Funding Agent by such CP Conduit Purchaser or Group Bank.

3.10 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (collectively, "**Taxes**"), excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other taxes based on or measured by the net income of the Purchaser (but specifically excluding any taxes required to be withheld under Section 1446 of the *Internal Revenue Code* of 1986 (as amended, the "**Code**")) as a result of a present or former connection between the recipient and the jurisdiction of the governmental authority imposing such tax (other

than any such connection arising solely from the recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); and (ii) any Taxes imposed under FATCA (as defined below) (including in the case of (i) and (ii), any interest, penalties and additions to tax) (all such excluded taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a recipient hereunder, the amounts so payable to the recipient shall be increased, and the recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Where the amount payable by the Issuer is increased in accordance with the previous sentence, the Monthly Interest and Fees shall be increased by the amount of such increase. Whenever any Taxes are payable on or with respect to amounts distributed to a recipient, as promptly as possible thereafter the Issuer shall send to such recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to U.S. federal withholding Tax imposed by provisions of Chapter 4 of the Code ("**FATCA**") if the recipient of such payment were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with their obligations under FATCA and to determine that such recipient has complied with it's obligations under FATCA or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a recipient expires or becomes obsolete or inaccurate in any respect, the recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 3.10(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

3.11 Increased Costs

(a) (i) If any Regulatory Change (x) subjects any Non-Conduit Purchaser, CP Conduit Purchaser, Group Bank Purchaser or any Program Support Party (an "**Affected Person**") to any charge or withholding on or with respect to any Support Facility or this Supplemental Indenture or an Affected Person's obligations under a Support Facility or this Supplemental Indenture, or changes the basis of taxation of payments to any Affected Person of any amounts payable under any Support Facility or this Supplemental Indenture Agreement (except for changes in the rate of tax on the overall net income of an Affected Person or Excluded Taxes) or (y) imposes, modifies or deems applicable any reserve, assessment, fee, tax, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or liabilities of an Affected

Person, or credit extended by an Affected Person pursuant to a Support Facility or this Supplemental Indenture or (z) imposes any other condition the result of which is to increase the cost to an Affected Person of performing its obligations under a Support Facility or this Supplemental Indenture, or to reduce the rate of return on an Affected Person's capital or assets as a consequence of its obligations under a Support Facility or this Supplemental Indenture, or to reduce the amount of any sum received or receivable by an Affected Person under a Support Facility or this Supplemental Indenture, or to require any payment calculated by reference to the amount of interests or loans held or interest received by it, then, upon written request by such Affected Party (through the Funding Agent for its Purchaser Group if the Affected Party is a Program Support Provider, CP Conduit Purchaser or Group Bank) of a written request therefore to the Issuer, such Affected Party (through the Funding Agent for its Purchaser Group if the Affected Party is a Program Support Provider, CP Conduit Purchaser or Group Bank) shall be entitled to be paid, such amounts charged to such Affected Party or such amounts to otherwise compensate such Affected for such increased cost or such reduction, no later than the Payment Date following receipt by the Issuer of such request for compensation under this Section 3.11(a)(i), if such request is received by the Issuer no later than five (5) Business Days prior to the end of the Billing Period related to such Payment Date, and otherwise on the following Payment Date.

(ii) The Issuer acknowledges that any Affected Party may implement, as an internal institutional matter, measures in anticipation of a final or proposed Regulatory Change (including, without limitation, the imposition of internal charges on such Affected Party's interest or obligations under any Support Agreement or this Supplemental Indenture) and may commence recognizing the incurrence of charges by and seeking compensation under Section 3.11(a)(i) in connection with such measures, in advance of the effective date of such final or proposed Regulatory Change, and the Issuer agrees that such charges or compensation shall be payable, to the related Funding Agent, for the benefit of Affected Party, following demand therefor without regard to whether such proposed Regulatory Change has been adopted or whether such effective date has occurred; provided, that (I) the Affected Party shall provide sixty (60) days prior written notice to the Issuer of its intent to impose or incur any such charges or compensation, (II) an Affected Party shall not be compensated for any such amount pursuant to this subsection 3.11(a)(ii) relating to any period ending, and of which such Affected Party has had knowledge, more than ninety (90) days prior to the date that such Affected Party provided the Issuer with the written notice contemplated by the preceding clause (I) of this subsection 3.11(a)(ii), (III) if, after the payment by the Trust of any charges or compensation pursuant to this subsection 3.11(a)(ii), either (A) the Issuer requests in writing that the applicable Affected Party recompute any such charge or compensation in light of differences between a proposed Regulatory Change and the final effective version thereof or (B) the applicable Affected Party determines that the amount of the charge imposed on and required to be compensated by the Issuer exceeds the amount necessary to compensate it for the applicable Regulatory Change as contemplated by subsection 3.11(a)(i), then (x) the amount of such charge or compensation shall, from and after such determination, be reduced by the amount of such excess and (y) such Affected Party shall, within thirty (30) days of such determination, either repay the amount of such excess or credit the amount of such excess against future charges under this subsection 3.11(a)(ii). The Issuer further acknowledges that any charge or compensation demanded hereunder may take the form of a monthly charge to be assessed by such Affected Party.

(b) Each Affected Party claiming increased amounts described in subsection 3.11(a) of this Supplemental Indenture will furnish to the Issuer (together with its request for compensation) a certificate prepared in good faith setting forth the basis and the calculation of the amount (in reasonable detail) of each request by such Affected Party for any such increased amounts referred to in subsection 3.11(a) hereof. Any such certificate shall be conclusive absent manifest error. Failure on the part of any Affected Party to demand compensation for any amount pursuant to subsection 3.11(a) hereof with respect to any period shall not constitute a waiver of such Affected Party's right to demand compensation with respect to such period.

ARTICLE 4
CONDITIONS PRECEDENT

4.1 Conditions Precedent to Initial Purchase of Series 2017-1 Senior Notes

On or prior to the initial purchase of Series 2017-1 Senior Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The Administrative Agent and each of the Funding Agents shall have received:

(i) executed copies of the Fee Letter, this Supplemental Indenture, the Manager Indemnity and copies of each of the other Program Agreements certified by an Authorized Officer of the Manager;

(ii) evidence that each of the Issuer Trustee, the IESO and the Manager is validly existing pursuant to the laws of the jurisdiction of their respective establishment or incorporation;

(iii) a copy of the incorporating documents and all amendments thereto and applicable by-laws of each of the Issuer Trustee, the IESO and the Manager certified by an Authorized Officer of the applicable entity;

(iv) a copy of the Declaration of Trust certified by an Authorized Officer of the Manager;

(v) copies of resolutions of the board of directors of the IESO and the Manager approving and authorizing the execution, delivery and performance of each Program Agreement they are party to, in each case certified by an Authorized Officer of the applicable entity;

(vi) incumbency certificates for each of the Issuer Trustee, the Manager and the IESO executing this Supplemental Indenture and any other Program Agreements and the other documents to be delivered by either the Issuer Trustee, the Manager or the IESO thereunder, in each case showing their names, offices and specimen signatures on which certificates the Administrative Agent and the Purchaser Groups shall be entitled to conclusively rely until such time as the Administrative

Agent and the Funding Agents receive a replacement certificate meeting the requirements of this Section 4.1(b)(vi);

(vii) the following Opinions of Counsel:

(A) the opinion of external counsel to the Manager as to the non-consolidation of the Issuer with the Manager in the event of the insolvency of the Manager in form and substance satisfactory to the Administrative Agent and the Funding Agents;

(B) the opinion of external counsel to the IESO as to the Investment Asset acquired by the Issuer not being subject to the claims of creditors of the IESO in form and substance satisfactory to the Administrative Agent and the Funding Agents;

(C) favourable opinions of external counsel to the Manager covering general corporate matters, the due execution and delivery of, and the enforceability of, each of the Program Agreements to which the Manager, the Issuer and the Issuer Trustee are party which opinion, as to certain matters, may rely on opinion of internal counsel to the Manager and the Issuer Trustee; and

(D) a favourable opinion of external counsel to the Province with respect to the due authorization, execution, delivery and enforceability of the Provincial Protection and Assurances Agreement in form and substance satisfactory to the Administration Agent and the Funding Agents;

(viii) a certificate of an Authorized Officer of the Manager confirming that the representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 6.1 of this Supplemental Indenture are true and correct in all material respects, that the Issuer is in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party and that no Termination Event has occurred; and

(ix) such additional documents, instruments, certificates or letters as the Administrative Agent or any Funding Agent may reasonably request.

(c) The Series 2017-1 Cash Reserve Account shall have been established.

(d) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 6.1 of this Supplemental Indenture shall be true and correct in all material respects, the Issuer shall be compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party and no Termination Event shall have occurred.

(e) The Series 2017-1 Senior Notes shall have been duly issued in accordance with the Trust Indenture and each Funding Agent and Non-Conduit Purchaser shall have received its Series 2017-1 Senior Note registered in its name or a nominee in a face amount equal to its Maximum Purchaser Group Principal Amount.

(f) An amount equal to the Series 2017-1 Cash Reserve Required Amount shall have been deposited to the Series 2017-1 Cash Reserve Account.

(g) After giving effect to the purchase, the covenant of the Issuer in Section 7.1(d) will be satisfied.

(h) All fees payable on or before the Series 2017-1 Closing Date pursuant to the Fee Letter shall have been paid in full.

(i) The Rating Agency Condition shall have been satisfied in respect of the initial purchase.

4.2 Conditions Precedent to Each Increase under Series 2017-1 Senior Notes

On or prior to each Increase, the following conditions precedent shall be satisfied:

(a) the Administrative Agent shall have received an Increase Notice;

(b) no Termination Event shall have occurred or would occur after giving effect to such Increase;

(c) the Increase Date in respect of the Increase is prior to the Commitment Expiry Date;

(d) if the Increase is identified as a Transfer Increase in the Increase Notice, then the related Transfer under the Master Transfer and Servicing Agreement shall have been completed.

(e) after giving effect to the Increase, the covenant of the Issuer in Section 7.1(d) will be satisfied.

The Issuer's acceptance of funds in connection with each Increase occurring on any Increase Date shall constitute a representation and warranty by the Issuer to the Administrative Agent and the Purchaser Groups as of such Increase Date that all of the conditions contained in Section 3.3(a) and this Section 4.2 are satisfied.

ARTICLE 5
ESTABLISHMENT OF ACCOUNTS

5.1 Establishment of Series 2017-1 Cash Reserve Account

On or before the Series 2017-1 Closing Date, the Issuer shall cause to be established and maintained an Eligible Deposit Account (the "**Series 2017-1 Cash Reserve Account**") in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the Series 2017-1 Specified Creditors. The Series 2017-1 Cash Reserve Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the Series 2017-1 Specified Creditors. If, at any time, the institution holding the Series 2017-1 Cash Reserve Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 calendar days (or such longer period, not to exceed 45 calendar days, so long as the Rating Agency Condition is satisfied) establish a new Series 2017-1 Cash Reserve Account that is an Eligible Deposit Account and shall transfer any funds or other property from such

Series 2017-1 Cash Reserve Account to such new Series 2017-1 Cash Reserve Account. From the date each such new Series 2017-1 Cash Reserve Account is established, it shall be the "Series 2017-1 Cash Reserve Account." The Series 2017-1 Cash Reserve Account is a Finance Reserve Account for the purposes of the Trust Indenture.

5.2 Series Account

The Series 2017-1 Cash Reserve Account is established solely for the benefit of the Series 2017-1 Notes and the holders thereof.

5.3 Waterfall Deposits to Series 2017-1 Cash Reserve Account

On each Payment Date when distributions of collections are being made under Section 7.04(e) of the Trust Indenture, the Paying Agent shall deposit to the Series 2017-1 Cash Reserve Account an amount equal to the Cash Reserve Required Deposit Amount pursuant to Section 7.04(e)(iv) of the Trust Indenture.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Administrative Agent and the Purchaser Groups as of the Series 2017-1 Closing Date, and shall be deemed to represent and warrant to the Administrative Agent and the Purchaser Groups on each Increase Date, that:

(a) no Termination Event has occurred or would result from the initial purchase of the Issuer Investment Interest on the Series 2017-1 Closing Date or any increase in the Issuer Investment Interest on an Increase Date, as applicable;

(b) the Issuer Trustee and the Issuer are not non-residents of Canada within the meaning of the *Income Tax Act* (Canada);

(c) all tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name and the Declaration of Trust has neither been amended nor rescinded other than as consented to by the holders of the Series 2017-1 Senior Notes;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest;

(f) all information provided to the Administrative Agent and the Purchaser Groups by or on behalf of the Issuer in respect of the Issuer Investment Interest is and will be true and accurate in all material respects;

(g) there has been no material adverse change in the condition (financial or otherwise), business, operations, results of operations, or the property of the Issuer; and

(h) the Issuer does not own or hold, directly or indirectly, any shares or equity security of, or any equity interest in, any Person.

6.2 Representations and Warranties of the Purchasers

Each Purchaser represents and warrants to the Issuer as of the Series 2017-1 Closing Date, and shall be deemed to represent and warrant to the Issuer on each Increase Date, that:

(a) it is resident in Ontario or is otherwise subject to the securities legislation of the Province of Ontario;

(b) it is purchasing the applicable Series 2017-1 Senior Notes (i) as principal for its own account and not for the benefit of any other "person" (as defined in the *Securities Act* (Ontario)) or company; and (ii) for cash consideration in excess of $150,000; and

(c) it was not created and is not being used solely to purchase or hold securities in reliance on the exemption from the prospectus and dealer registration requirements contained in Section 2.10 of National Instrument 45-106 − Prospectus and Registration Exemptions.

6.3 Survival

The representations and warranties set out in this Article 4 shall survive the execution hereof.

ARTICLE 7
COVENANTS

7.1 Covenants of the Issuer

(a) The Issuer shall provide to the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser (in multiple copies if requested) as soon as possible, copies of all reports, notices, financial statements and other documents delivered by the IESO to the Issuer with respect to the Issuer Investment Interest or pursuant to the Master Transfer and Servicing Agreement.

(b) The Issuer shall provide to the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser (in multiple copies, if requested) such other information, documents, records or reports respecting the Issuer Investment Interest, the Issuer or the IESO which is in the possession or under the control of the Issuer or the Manager as the Administrative Agent, a Funding Agent or a Non-Conduit Purchaser may from time to time reasonably request.

(c) The Issuer shall furnish to the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser promptly after known to the Issuer or the Manager, information with respect to any action, suit or proceeding involving the Manager, the Issuer or the IESO or any of their respective Affiliates by or before any court or any Governmental Authority which, if adversely determined, would have a material and adverse effect on such party or the transactions contemplated by, or such party's ability to perform its obligations under, this Supplemental Indenture or the other Program Agreements.

(d) The Issuer will, at all time, cause the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be not less than [**49**]% of the aggregate outstanding principal amount of all Issuer Funding Obligations.

(e) The Issuer will not make any amendments to the agreements governing any outstanding Subordinated Funding Obligations or Junior Subordinated Funding Obligations without the prior written consent of the Requisite Series 2017-1 Noteholders.

(f) The Issuer confirms that this Supplemental Indenture is a Warehouse Facility Agreement. The Issuer will not enter into any other Warehouse Facility Agreement creating Senior Funding Obligations without the prior written consent of the Requisite Series 2017-1 Noteholders unless the Commitment Expiry Date has occurred.

ARTICLE 8
AGENTS

8.1 Administrative Agent

(a) Each of the Non-Conduit Purchasers, CP Conduit Purchasers, the Group Banks and the Funding Agents hereby irrevocably designates and appoints the Administrative Agent as the agent of such Person under this Supplemental Indenture and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Supplemental Indenture and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Supplemental Indenture, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Supplemental Indenture, the Administrative Agent shall not have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any Non-Conduit Purchaser, any CP Conduit Purchaser, any Group Bank or any Funding Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Supplemental Indenture or otherwise exist against the Administrative Agent.

(b) The Administrative Agent may execute any of its duties under this Supplemental Indenture by or through agents or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(c) Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Trust Indenture, this Supplemental Indenture or any other Program Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks or the Funding Agents for any recitals, statements, representations or warranties made by the Issuer, the IESO, the Manager or any officer thereof contained in this Supplemental Indenture or any other Program Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this

Supplemental Indenture or any other Program Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Supplemental Indenture, any other Program Agreement, or for any failure of any of the Issuer, the Manager or the IESO to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Non-Conduit Purchaser, any CP Conduit Purchaser, any Group Bank or any Funding Agent to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Supplemental Indenture, any other Program Agreement or to inspect the properties, books or records of the Issuer, the Manager or the IESO.

(d) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter or telecopy message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Issuer, the Manager or the IESO), independent accountants and other experts selected by the Administrative Agent.

(e) The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Termination Event unless the Administrative Agent has received written notice from a Non-Conduit Purchaser, a CP Conduit Purchaser, a Group Bank, a Funding Agent, the Issuer or the Manager referring to the Trust Indenture or this Supplemental Indenture, describing such Termination Event and stating that such notice is a "notice of a Termination Event". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Non-Conduit Purchasers, the Funding Agents, the Issuer Trustee and the Manager.

(f) Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Issuer, the Manager or the IESO shall be deemed to constitute any representation or warranty by the Administrative Agent to any such Person. Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Non-Conduit Purchaser, CP Conduit Purchaser, Group Bank or Funding Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Issuer, the Manager and the IESO and made its own decision to enter into this Supplemental Indenture. Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents also represents that it will, independently and without reliance upon the Administrative Agent or any other Non-Conduit Purchaser, CP Conduit Purchaser, Group Bank or Funding Agent, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Supplemental Indenture and the other Program Agreements, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Issuer, the Manager and the IESO. Except for notices, reports and other documents expressly required to be furnished to the Non-Conduit Purchasers and the Funding Agents by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to

provide any Non-Conduit Purchaser, any CP Conduit Purchaser, any Group Bank or any Funding Agent with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Issuer, the Manager or the IESO which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys in fact or Affiliates.

(g) The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Issuer, the Manager and the IESO as though the Administrative Agent were not the Administrative Agent hereunder. With respect to any Series 2017-1 Senior Note held by the Administrative Agent, the Administrative Agent shall have the same rights and powers under this Supplemental Indenture and the other Program Agreements as any Group Bank or Funding Agent and may exercise the same as though it were not the Administrative Agent, and the terms "Group Bank," and "Funding Agent" shall include the Administrative Agent in its individual capacity.

(h) The Administrative Agent may resign as Administrative Agent at any time by giving 30 days' notice to the Non-Conduit Purchasers, the Funding Agents, the Indenture Trustee, the Issuer and the Manager. If ● shall resign as Administrative Agent under this Supplemental Indenture, then the Requisite Series 2017-1 Noteholders shall appoint a successor administrative agent from among the Non-Conduit Purchasers and Funding Agents, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Supplemental Indenture. If no successor administrative agent has accepted appointment as Administrative Agent prior to the effective date of the resignation of the Administrative Agent, the retiring Administrative Agent may appoint, after consulting with the Non-Conduit Purchasers and the Funding Agents, a successor Administrative Agent from among the Non-Conduit Purchasers and the Funding Agents. If no successor administrative agent has accepted appointment by the date which is thirty (30) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and Manager shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Requisite Series 2017-1 Noteholders appoint a successor administrative agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Supplemental Indenture.

8.2 Funding Agents

(a) Each CP Conduit Purchaser and each Group Bank with respect to such CP Conduit Purchaser hereby irrevocably designates and appoints the Funding Agent set forth next to such CP Conduit Purchaser's name on Schedule E as the agent of such Person under this Supplemental Indenture and irrevocably authorizes such Funding Agent, in such capacity, to take such action on its behalf under the provisions of this Supplemental Indenture and to exercise such powers and perform such duties as are expressly delegated to such Funding Agent by the terms of this Supplemental Indenture, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Supplemental Indenture, each Funding Agent shall not have any duties or responsibilities except those

expressly set forth herein, or any fiduciary relationship with any CP Conduit Purchaser or Group Bank and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Supplemental Indenture or otherwise exist against each Funding Agent.

(b) Each Funding Agent may execute any of its duties under this Supplemental Indenture by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Each Funding Agent shall not be responsible to the CP Conduit Purchaser or any Group Bank in its CP Conduit Purchaser Group for the negligence or misconduct of any agents or attorneys in fact selected by it with reasonable care.

(c) Each Funding Agent and any of its officers, directors, employees, agents, attorneys in fact or Affiliates shall not be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Trust Indenture, this Supplemental Indenture or any other Program Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the CP Conduit Purchasers and/or Group Banks for any recitals, statements, representations or warranties made by the Issuer, the Manager or the IESO, or any officer thereof contained in this Supplemental Indenture or any other Program Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by such Funding Agent under or in connection with, this Supplemental Indenture or any other Program Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Supplemental Indenture, any other Program Agreement, or for any failure of any of the Issuer, the Manager or the IESO to perform its obligations hereunder or thereunder. Each Funding Agent shall not be under any obligation to the CP Conduit Purchaser or any Group Bank in its CP Conduit Purchaser Group to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Supplemental Indenture, any other Program Agreement or to inspect the properties, books or records of the Issuer, the Manager or the IESO.

(d) Each Funding Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter or telecopy message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Issuer, the Manager or the IESO), independent accountants and other experts selected by such Funding Agent. Each Funding Agent shall be fully justified in failing or refusing to take any action under this Supplemental Indenture or any other Program Agreement unless it shall first receive such advice or concurrence of the Related Purchaser Group, as it deems appropriate or it shall first be indemnified to its satisfaction by the Related Purchaser Group against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

(e) Each Funding Agent shall not be deemed to have knowledge or notice of the occurrence of any Termination Event unless such Funding Agent has received written notice from a Non-Conduit Purchaser, a CP Conduit Purchaser, a Group Bank, the Issuer, the Manager or the Administrative Agent referring to the Trust Indenture or this Supplemental Indenture, describing such Termination Event and stating that such notice is a "notice of a Termination Event," as the case may be. In the event that any Funding Agent receives such a notice, such Funding Agent shall give notice thereof to the CP Conduit Purchaser and Group Bank in its CP Conduit Purchaser Group. Such Funding Agent shall take such action with respect to such event as shall

be reasonably directed by the CP Conduit Purchaser and Group Bank in its CP Conduit Purchaser Group, provided that unless and until such Funding Agent shall have received such directions, such Funding Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such event as it shall deem advisable in the best interests of the CP Conduit Purchaser and Group Bank in its CP Conduit Purchaser Group.

(f) Each CP Conduit Purchaser and each of the related Group Banks expressly acknowledge that neither its Funding Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates has made any representations or warranties to it and that no act by such Funding Agent hereinafter taken, including any review of the affairs of the Issuer, the Manager or the IESO shall be deemed to constitute any representation or warranty by such Funding Agent to any such Person. Each CP Conduit Purchaser and each of the related Group Banks represents to its Funding Agent that it has, independently and without reliance upon such Funding Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Issuer, the Manager and the IESO and made its own decision to enter into this Supplemental Indenture. Each CP Conduit Purchaser and each of the related Group Banks also represents that it will, independently and without reliance upon its Funding Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Supplemental Indenture and the other Program Agreements, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other conditions and creditworthiness of the Issuer, the Manager and the IESO.

(g) Each Group Bank in a CP Conduit Purchaser Group agrees to indemnify its Funding Agent in its capacity as such (to the extent not reimbursed by the Issuer and without limiting the obligation of the Issuer to do so), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time be imposed on, incurred by or asserted against such Funding Agent in any way relating to or arising out of this Supplemental Indenture, any of the other Program Agreements or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Funding Agent under or in connection with any of the foregoing; provided that no Group Bank shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such related Funding Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of all amounts payable hereunder.

ARTICLE 9
GENERAL

9.1 Successor and Assigns

(a) This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that (i) the Issuer may not assign or transfer any of its rights under this Supplemental Indenture without the prior written consent of all of the Series 2017-1 Noteholders; (ii) no Non-Conduit Purchaser may assign or transfer any of its rights under this Supplemental Indenture other than pursuant to paragraph (e) or (f) below;

(iii) no CP Conduit Purchaser may assign or transfer any of its rights under this Supplemental Indenture other than to the Group Bank with respect to such CP Conduit Purchaser or a Program Support Provider with respect to such CP Conduit Purchaser or pursuant to clause (b) or (e) below of this Section 9.1; and (iv) no Group Bank may assign or transfer any of its rights or obligations under this Supplemental Indenture except to a Program Support Provider or pursuant to clause (c), (d) or (e) below of this Section 9.1.

(b) Without limiting the foregoing, each CP Conduit Purchaser may assign all or a portion of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser and its rights and obligations under this Supplemental Indenture to a Conduit Assignee with respect to such CP Conduit Purchaser. Prior to or concurrently with the effectiveness of any such assignment (or if impracticable, immediately thereafter), the assigning CP Conduit Purchaser shall notify the Administrative Agent and the Issuer. Upon such assignment by a CP Conduit Purchaser to a Conduit Assignee, (i) such Conduit Assignee shall be the owner of the Purchaser Group Principal Amount or such portion thereof with respect to such CP Conduit Purchaser; (ii) the related administrative or managing agent for such Conduit Assignee will act as the administrative agent for such Conduit Assignee hereunder, with all corresponding rights and powers, express or implied, granted to the Funding Agent hereunder; (iii) such Conduit Assignee and its liquidity support provider(s) and credit support provider(s) and other related parties shall have the benefit of all the rights and protections provided to such CP Conduit Purchaser herein (including, without limitation, any limitation on recourse against such Conduit Assignee as provided in this paragraph); (iv) such Conduit Assignee shall assume all of such CP Conduit Purchaser's obligations, if any, hereunder with respect to such portion of the Purchaser Group Principal Amount and such CP Conduit Purchaser shall be released from such obligations; (v) all distributions in respect of the Purchaser Group Principal Amount or such portion thereof with respect to such CP Conduit Purchaser shall be made to the applicable agent or administrative agent, as applicable, on behalf of such Conduit Assignee; and (vi) if requested by the Administrative Agent or the agent or administrative agent with respect to the Conduit Assignee, the parties will execute and deliver such further agreements and documents and take such other actions as the Administrative Agent or such agent or administrative agent may reasonably request to evidence and give effect to the foregoing. No assignment by any CP Conduit Purchaser to a Conduit Assignee of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser shall in any way diminish the obligations of the Group Bank with respect to such CP Conduit Purchaser under Section 3.3 to fund any Increase.

(c) Any Group Bank may, in the ordinary course of its business and in accordance with applicable law, at any time sell all or any part of its rights and obligations under this Supplemental Indenture and the Series 2017-1 Senior Notes, with the prior written consent of the Administrative Agent and the Issuer (in each case, which consent shall not be unreasonably withheld), to one or more banks (an "**Acquiring Group Bank**") pursuant to a transfer supplement, substantially in the form of Exhibit H (the "**Transfer Supplement**"), executed by such Acquiring Group Bank, such assigning Group Bank, the Funding Agent with respect to such Group Bank, the Administrative Agent and the Issuer and delivered to the Administrative Agent. Notwithstanding the foregoing, no Group Bank shall so sell its rights hereunder if such Acquiring Group Bank is not an Eligible Assignee.

(d) Any Group Bank may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more financial institutions or other entities ("**Group**

Bank Participants") participations in its Commitment Amount with respect to its related CP Conduit Purchaser Group, its Series 2017-1 Senior Note and its rights hereunder pursuant to documentation in form and substance satisfactory to such Group Bank and the Group Bank Participant; provided, however, that (i) in the event of any such sale by a Group Bank to a Group Bank Participant, (A) such Group Bank's obligations under this Supplemental Indenture shall remain unchanged, (B) such Group Bank shall remain solely responsible for the performance thereof, and (C) the Issuer and the Administrative Agent shall continue to deal solely and directly with such Group Bank in connection with its rights and obligations under this Supplemental Indenture; and (ii) no Group Bank shall sell any participating interest under which the Group Bank Participant shall have rights to approve any amendment to, or any consent or waiver with respect to, this Supplemental Indenture, the Trust Indenture or any Program Agreement, except to the extent that the approval of such amendment, consent or waiver otherwise would require the unanimous consent of all Group Banks hereunder. A Group Bank Participant shall have the right to receive compensation pursuant to Section 3.11 but only to the extent that the related selling Group Bank would have had such right absent the sale of the related participation and, with respect to amounts due pursuant to Section 3.11, only to the extent such Group Bank Participant shall have complied with the provisions of Section 3.11 as if such Group Bank Participant were a Group Bank.

(e) Any CP Conduit Purchaser and the Group Bank with respect to such CP Conduit Purchaser may at any time sell all or any part of their respective rights and obligations, and any Non-Conduit Purchaser may at any time sell all or any part of its rights and obligations, under this Supplemental Indenture and the Series 2017-1 Senior Notes, with the prior written consent of the Administrative Agent and the Issuer (in each case, which consent shall not be unreasonably withheld), (x) to a multi-seller commercial paper conduit and one or more banks providing support to such multi-seller commercial paper conduit, or (y) to a financial institution or other entity (an "**Acquiring Purchaser Group**") pursuant to a transfer supplement, substantially in the form of Exhibit I (the "**Purchaser Group Supplement**"), executed by such Acquiring Purchaser Group (including the CP Conduit Purchaser and the Group Banks, if any, with respect to such Acquiring Purchaser Group), the Funding Agent, if any, with respect to such Acquiring Purchaser Group, such assigning Purchaser Group (including the Group Banks, if any, with respect to such assigning Purchaser Group), the Funding Agent, if any, with respect to such assigning Purchaser Group and the Administrative Agent and the Issuer and delivered to the Administrative Agent.

(f) Any Non-Conduit Purchaser may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more financial institutions or other entities ("**Non-Conduit Purchaser Participants**") participations in its Commitment, its Series 2017-1 Senior Note and its rights hereunder pursuant to documentation in form and substance satisfactory to such Non-Conduit Purchaser and the Non-Conduit Purchaser Participant; provided, however, that (i) in the event of any such sale by a Non-Conduit Purchaser to a Non-Conduit Purchaser Participant, (A) such Non-Conduit Purchaser's obligations under this Supplemental Indenture shall remain unchanged, (B) such Non-Conduit Purchaser shall remain solely responsible for the performance thereof, and (C) the Issuer and the Administrative Agent shall continue to deal solely and directly with such Non-Conduit Purchaser in connection with its rights and obligations under this Supplemental Indenture; and (ii) no Non-Conduit Purchaser shall sell any participating interest under which the Non-Conduit Purchaser Participant shall have rights to approve any amendment to, or any consent or waiver with respect to, this Supplemental

Indenture, the Trust Indenture or any Program Agreement, except to the extent that the approval of such amendment, consent or waiver otherwise would require the unanimous consent of all Series 2017-1 Noteholders hereunder. A Non-Conduit Purchaser Participant shall have the right to receive compensation under Section 3.11 but only to the extent that the related selling Non-Conduit Purchaser would have had such right absent the sale of the related participation and, with respect to amounts due pursuant to Section 3.11, only to the extent such Non-Conduit Purchaser Participant shall have complied with the provisions of Section 3.11 as if such Non-Conduit Purchaser Participant were a Non-Conduit Purchaser.

(g) The Issuer authorizes each Group Bank and Non-Conduit Purchaser to disclose to any Group Bank Participant, Acquiring Group Bank, Non-Conduit Purchaser Participant or Acquiring Purchaser Group (each, a "**Transferee**") and any prospective Transferee any and all financial information in such Group Bank's or Non-Conduit Purchaser's possession concerning the Issuer, the Issuer Investment Asset and the Program Agreements which has been delivered to such Group Bank by the Issuer or the Manager in connection with such Group Bank's credit evaluation of the Issuer and the Issuer Investment Asset.

(h) Notwithstanding any other provision of this Supplemental Indenture to the contrary, any Non-Conduit Purchaser, any Group Bank or any Program Support Provider may at any time pledge or grant a security interest in all or any portion of its rights under its Series 2017-1 Senior Note and this Supplemental Indenture to secure obligations of such Non-Conduit Purchaser, such Group Bank or such Program Support Provider to a Federal Reserve Bank or the Bank of Canada, without notice to or consent of the Administrative Agent, the Issuer or the Administrator; provided that no such pledge or grant of a security interest shall release a Non-Conduit Purchaser or an Group Bank from any of its obligations hereunder or substitute any such pledgee or grantee for such Non-Conduit Purchaser or such Group Bank as a party hereto.

9.2 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture which shall be applicable to this Supplemental Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2017-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2017-1 Noteholders.

9.3 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given (a) in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 16 of the Trust Indenture; and (b) in the case of the Administrative Agent, the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents, in writing, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand or three days after being deposited in the mail, postage prepaid, in the case of facsimile notice, when received, or in the case of overnight air courier, one Business Day after the date such notice is delivered to such overnight courier, addressed as follows in the case of the Administrative Agent and to the addresses therefor set forth in Schedule E, in the case of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group

Banks and the Funding Agents; or to such other address as may be hereafter notified by the respective parties hereto:

Administrative Agent:

●

9.4 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

9.5 Entire Agreement

This Supplemental Indenture, the Fee Letter, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Fee Letter, the Trust Indenture and the other Program Agreements.

9.6 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

9.7 Acknowledgment of Trust Indenture and No Proceedings

The Administrative Agent, each Non-Conduit Purchaser, each CP Conduit Purchaser, each Group Bank and each Funding Agent hereby acknowledges and agrees in favour of the Indenture Trustee that it is a Specified Creditor under the Trust Indenture and its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.06 (Payments Held in Trust), Section 8.12 (Limitation on Suits), Sections 7.04 and 8.13 (Payment Priorities), Section 8.15 (Limited Recourse) and Section 17.01 (No Petition).

9.8 Expenses

The Issuer agrees to pay on demand (a) to the Indenture Trustee, the Administrative Agent and the Purchaser Groups all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture and the other documents to be delivered hereunder or in connection herewith, including, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent and the Purchaser Groups, with respect thereto, and the reasonable fees and out-of-pocket expenses incurred by the CP Conduit Purchasers in connection

with the review by each rating agency then rating the Commercial Paper of such CP Conduit Purchaser of the transactions contemplated by this Supplemental Indenture and the Program Agreements; (b) to the Indenture Trustee, the Administrative Agent and each Purchaser Group all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and the reasonable fees and out-of-pocket expenses incurred by the CP Conduit Purchasers in connection with the review by any rating agency then rating the Commercial Paper of such CP Conduit Purchasers; and (c) to the Indenture Trustee, the Administrative Agent and each Purchaser Group, on demand, all reasonable costs and expenses (including reasonable fees and expenses of counsel to the Administrative Agent and each Purchaser Group), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

9.9 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

9.10 Confidentiality

(a) Each Purchaser Group and the Administrative Agent covenants and agrees that any Nonpublic Information (as defined herein) obtained by it pursuant to this Supplemental Indenture and the other Program Agreements shall be held in confidence except that the Purchaser Groups or Administrative Agent may disclose such information (i) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding (whether or not having the force or effect of law) provided that, unless prohibited by applicable law, a Purchaser Group or the Administrative Agent, as applicable, shall provide prompt notice of such order to the affected party; (ii) upon the request or demand of any regulatory authority having or claiming jurisdiction over any Purchaser Group or the Administrative Agent; (iii) as required by applicable law; (iv) to the extent that such information becomes publicly available other than by reason of improper disclosure by a Purchaser Group or the Administrative Agent; (v) to its affiliates, officers, directors, employees, legal counsel, independent auditors, accountants, advisors, investors, potential investors, commercial paper dealers, providers of surety, guaranty, credit or liquidity enhancement (including the directors, officers and accountants of such surety, guaranty, credit or liquidity enhancement provider), legal counsel of any of the foregoing and other experts or agents who need to know such information and are informed of the confidential nature of such information (provided that the Persons permitted to make such disclosures under clauses (i), (ii) and (iii) of this Section 9.10 shall also include credit or liquidity enhancers of a CP Conduit Purchaser); (vi) for purposes of establishing a "due diligence" defense; (vii) which was available to a Purchaser Group or the Administrative Agent on a non-confidential basis from a source other than the affected party, provided that such source was not to the knowledge of the Purchaser Group or the Administrative Agent, as applicable, bound by a confidentiality agreement with the affected party; (viii) has been independently acquired or developed by a Purchaser Group or the Administrative Agent without violating any of the Purchaser Group's or the Administrative Agent's obligations under this Supplemental Indenture; (ix) if such disclosure

has been approved in writing in advance by the Issuer or the Manager; or (x) regarding the existence of this Supplemental Indenture, but not the financial terms thereof.

(b) The Issuer covenants and agrees to hold in confidence, and not disclose to any Person, the terms of this Supplemental Indenture (including any fees payable in connection with this Supplemental Indenture or the identity of any CP Conduit Purchaser under this Supplemental Indenture), except as the applicable Purchaser Group may have consented to in writing prior to any proposed disclosure and except (i) it may also disclose such information (A) to its officers, employees, agents and legal advisors who are directly involved in the consideration of this Supplemental Indenture (and then only on a confidential basis), (B) as required by applicable law or compulsory legal process, and (C) as expressly permitted by the terms of the Program Agreements; provided, that, in the case of clause (B), the Issuer will use all reasonable efforts to maintain confidentiality and will (unless otherwise prohibited by law) notify the affected Administrative Agent or Purchaser Group of its intention to make any such disclosure prior to making such disclosure; and (ii) it may also disclose the existence (but not the financial terms) of this Supplemental Indenture, including to any actual or prospective purchaser of other Notes.

9.11 Acknowledgement and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in this Supplemental Indenture or in any other Program Agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under this Supplemental Indenture or any other Program Agreement, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments or ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Supplemental Indenture or any other Facility Agreement; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

9.12 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that ● Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in

connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 9.12, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 9.12 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2017-1 Senior Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

9.13 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

9.14 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Trust Indenture as of the date first above written.

● **TRUST**, by ● **TRUST COMPANY OF CANADA**, as Issuer Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

● **TRUST COMPANY OF CANADA**, as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

●,

By: _____
Name:
Title:

[NTD: Detailed signing pages to be prepared.]

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means the outstanding Dollar Principal Amount of all Funding Obligations of the Series 2017-1 Senior Notes have been declared or automatically become due and payable pursuant to Section 8.02 of the Trust Indenture.

"**Administrative Agent**" shall have the meaning specified in the preamble to this Supplemental Indenture.

"**Affected Party**" means any Non-Conduit Purchaser, CP Conduit Purchaser and any Program Support Provider with respect to any CP Conduit Purchaser.

"**Applicable Margin**" is defined in the Fee Letter.

"**Bail-In Action**" shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"**Bail-In Legislation**" shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"**Basel II**" means the revised Basel Accord prepared by the Basel Committee on Banking Supervision as set out in the publication entitled "International Convergence of Capital Measurements and Capital Standards: a Revised Framework," as updated from time to time, and any rules, regulations, guidance, requests, interpretations or directives from any Official Body relating thereto (whether or not having the force of law).

"**Basel III**" means the revised Basel Accord prepared by the Basel Committee on Banking Supervision as set out in the publication entitled "A Global Regulatory Framework for More Resilient Banks and Banking Systems" developed by the Basel Committee on Banking Supervision, initially published in December 2010, as updated from time to time, and any rules, regulations, guidance, requests, interpretations or directives from any Official Body relating thereto (whether or not having the force of law).

"**Cash Reserve Required Deposit Amount**" means, on any day, the amount by which the balance on deposit in the Series 2017-1 Cash Reserve Account is less than the Series 2017-1 Cash Reserve Required Amount.

"**CDOR**" means, on any day, an annual rate of interest equal to the average rate applicable to Canadian dollar bankers' acceptances for a 1 month period appearing on the "Reuters Screen CDOR Page" (as defined in the International Swaps and Derivatives Association, Inc. 2000 definitions, as modified and amended from time to time) at approximately 10:00 a.m. on such day, or if such day is not a Business Day, then on the immediately preceding Business Day, provided that if such rate does not appear on the Reuters Screen CDOR Page on such day as contemplated, then CDOR on such day shall be calculated as the average of the rates for such

period applicable to Canadian dollar bankers' acceptances quoted by the banks listed in Schedule I of the *Bank Act* (Canada) as of 10:00 a.m. on such day or, if such day is not a Business Day, then on the immediately preceding Business Day.

"**CEA Decrease**" is defined in Section 3.4(a).

"**Code**" is defined in Section 3.10(a).

"**Commercial Paper**" means, with respect to any CP Conduit Purchaser, the promissory notes issued by, or for the benefit of, such CP Conduit Purchaser in the commercial paper market.

"**Commitment**" means, with respect to (a) the Group Bank included in any CP Conduit Purchaser Group, the obligation of such Group Bank to purchase a Series 2017-1 Senior Note on the Series 2017-1 Closing Date and, thereafter, to maintain and, subject to certain conditions, increase the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group, in each case, in an amount up to the Maximum Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group; or (b) any Non-Conduit Purchaser Group, the obligation of the Related Non-Conduit Purchaser to purchase a Series 2017-1 Senior Note on the Series 2017-1 Closing Date and, thereafter, to maintain and, subject to certain conditions, increase the Purchaser Group Principal Amount with respect to such Non-Conduit Purchaser Group, in each case, in an amount up to the Maximum Purchaser Group Principal Amount with respect to such Non-Conduit Purchaser Group.

"**Commitment Expiry Date**" means the earlier of (a) the Scheduled Commitment Expiry Date; and (b) the date on which an Event of Default shall have been declared or automatically occurred.

"**Commitment Fee**" is defined in Section 3.6(b).

"**Commitment Fee Rate**" is defined in the Fee Letter.

"**Commitment Percentage**" means, on any date of determination, with respect to any Purchaser Group, the ratio, expressed as a percentage, which such Purchaser Group's Maximum Purchaser Group Principal Amount bears to the Series 2017-1 Maximum Principal Amount on such date.

"**Conduit Assignee**" means, with respect to any CP Conduit Purchaser, any commercial paper conduit administered by the Funding Agent with respect to such CP Conduit Purchaser and designated by such Funding Agent to accept an assignment from such CP Conduit Purchaser of the Purchaser Group Principal Amount or a portion thereof with respect to such CP Conduit Purchaser pursuant to Section 9.1(b).

"**CP Conduit Funded Amount**" means, with respect to any CP Conduit Purchaser Group for any day, the portion of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group funded by the CP Conduit Purchaser in respect of such CP Conduit Purchaser Group.

"**CP Conduit Purchaser**" means each commercial paper conduit listed on Schedule E or party to a Purchaser Group Supplement pursuant to which such commercial paper conduit became a party to this Supplemental Indenture

"**CP Conduit Purchaser Group**" means, collectively, a CP Conduit Purchaser and the Group Bank with respect to such CP Conduit Purchaser.

"**CP Conduit Rating Agencies**" means, with respect to any CP Conduit Purchaser, each of DBRS and Moody's and any other nationally recognized statistical rating organization which may, from time to time, rate the Commercial Paper of the CP Conduit Purchaser at the request of the CP Conduit Purchaser.

"**CP Rate**" means with respect to any CP Conduit Purchaser for any day during a Billing Period, the weighted average annual rate of interest applicable to all Commercial Paper of the CP Conduit Purchaser; and provided further that (x) any such Commercial Paper may be issued in either United States dollars or Canadian dollars with the appropriate market rate currency swap agreements being entered into to match such issuance to the funding requirements of such CP Conduit Purchaser, and (y) such weighted average annual rate of interest shall be calculated to reflect any costs incurred by such Purchaser in connection with such swap transactions or in connection with any redemption or repurchase transaction between such Purchaser and the holders of such commercial paper; provided that no amount shall be included in the calculation of the CP Rate which reflects any termination amounts payable by such CP Conduit Purchaser in respect of the early termination of any market rate currency swap referred to in this definition.

"**Decrease**" is defined in Section 3.4(a).

"**Decrease Amount**" is defined in Section 3.4(a).

"**Deferrable Increase Notice**" means a notice of Increase that provides that a Delayed Funding Notice may be provided by any Purchaser Group with respect to such Increase in accordance with Section 3.3(e).

"**Delayed Amount**" is defined in Section 3.3(e).

"**Delayed Funding Date**" is defined in Section 3.3(e).

"**Delayed Funding Notice**" is defined in Section 3.3(e).

"**Delayed Funding Purchaser Group**" is defined in Section 3.3(e).

"**Delayed Funding Reimbursement Amount**" means, with respect to any Delayed Amount of a Delayed Funding Purchaser Group funded by Non-Delayed Funding Purchaser Groups on an Increase Date, an amount equal to the excess, if any, of (a) such Delayed Amount; over (b) the amount, if any, by which the portion of any principal payment made by the Issuer to such Non-Delayed Funding Purchaser Group pursuant to Section 3.7 on any date during the period from and including such Increase Date to but excluding the Delayed Funding Date for such Delayed Amount, was greater than what it would have been had such Delayed Amount been funded by such Delayed Funding Purchaser Group on such Increase Date.

"**EEA Financial Institution**" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority; (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition; or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" shall mean any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"**EEA Resolution Authority**" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Eligible Assignee**" means a financial institution having short-term debt ratings of at least "A-1" from Standard & Poor's and "P-1" from Moody's.

"**EU Bail-In Legislation Schedule**" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"**Excluded Taxes**" shall have the meaning specified in Section 3.10(a) of this Supplemental Indenture.

"**Fee Letter**" means the letter dated the date hereof, from the Issuer addressed to the Administrative Agent, each Non-Conduit Purchaser and each of the CP Conduit Purchasers, the Funding Agents and the Group Banks, setting forth certain fees payable from time to time to the Purchaser Groups, as such letter may be amended or replaced from time to time.

"**Funding Agent**" means, with respect to each CP Conduit Purchaser and its CP Conduit Purchaser Group, the agent bank set forth opposite the name of such CP Conduit Purchaser on Schedule E or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser became a party to this Supplemental Indenture.

"**Group Bank**" means, with respect to a CP Conduit Purchaser, the bank or other Person set forth opposite the name of such CP Conduit Purchaser on Schedule E or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser became a party to this Supplemental Indenture and any assignee thereof, to the extent such assignee has assumed all or a portion of the Commitments of the Group Bank pursuant to a Transfer Supplement entered into in accordance with Section 9.1(c).

"**Group Bank Funded Amount**" means, with respect to any CP Conduit Purchaser Group for any day, the excess, if any, of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group over the CP Conduit Funded Amount with respect to such CP Conduit Purchaser Group for such day.

"**Group Bank Participants**" is defined in Section 9.1(d).

"**Increase**" is defined in Section 3.3(a).

"**Increase Amount**" is defined in Section 3.3(a).

"**Increase Date**" is defined in Section 3.3(a).

"**Increase Notice**" is defined in Section 3.3(a).

"**Issuer indemnified person**" is defined in Section 3.8

"**Manager Indemnity**" means an indemnity agreement from the Manager in favour of the Purchaser Groups, the Funding Agents and the Administrative Agent with respect to losses resulting from the failure of the Issuer to perform its obligations under the Program Agreements other than losses resulting from insufficient funds being transferred to the Issuer, in form and substance satisfactory to the Purchaser Groups, the Funding Agents and the Administrative Agent.

"**Maximum Purchaser Group Principal Amount**" means, with respect to (a) any CP Conduit Purchaser Group, the amount set forth opposite the name of the CP Conduit Purchaser included in such CP Conduit Purchaser Group on Schedule E or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser Group became a party to this Supplemental Indenture; or (b) any Non-Conduit Purchaser Group, the amount set forth opposite the name of such Non-Conduit Purchaser Group on Schedule E or in the Purchaser Group Supplement pursuant to which such Non-Conduit Purchaser Group became a party to this Supplemental Indenture, in each case, as such amount may be increased or reduced from time to time as provided in Section 3.5.

"**Monthly Interest**" means, with respect to each Billing Period and:

(a) any CP Conduit Purchaser Group, the sum of:

(i) for each day during such Billing Period, the product of (x) the portion of the CP Conduit Funded Amount with respect to the CP Conduit Purchaser Group on such day funded through the issuance of Commercial Paper outstanding on such day, times (y) the sum of the CP Rate for such day plus the Applicable Margin, divided by (z) 365; plus

(ii) for each day during such Billing Period, the product of (x) the portion of the CP Conduit Funded Amount with respect to the CP Conduit Purchaser in such GP Conduit Purchaser Group on such day not funded through the issuance of Commercial Paper outstanding on such day, times (y) the sum of CDOR for such day plus the Applicable Margin, divided by (z) 365; plus

(iii) for each day during such Billing Period the product of (x) the Group Bank Funded Amount with respect to such Purchaser Group on such day, times (y) the sum of CDOR for such day plus the Applicable Margin, divided by (x) 365.

(b) any Non-Conduit Purchaser Group, the sum for each day during such Billing Period of the product of (i) the Purchaser Group Principal Amount with respect to such Non-

Conduit Purchaser Group on such day; times (ii) the sum of CDOR for such day plus the Applicable Margin, divided by (iii) 365

"**Monthly Interest, Fees and Other Amounts**" shall mean, for any Payment Date, the aggregate for all Purchaser Groups of the sum of (a) Monthly Interest for the related Billing Period for each Purchaser Group; plus (b) the Commitment Fee with respect to the related Billing Period for each Purchaser Group; plus (c) any amounts payable pursuant to a Purchaser Group hereunder including, without limitation, pursuant to Sections 3.8, 3.10, 3.11 and 9.8, for each Purchaser Group; plus (d) the Monthly Interest Shortfall for such Payment Date for each Purchaser Group.

"**Monthly Interest Shortfall**" means, for any Payment Date and a Purchaser Group, if the amount of the Monthly Interest, Fees and Other Amounts for the preceding Payment Date was greater than the amount distributed to the payment of such amounts pursuant to Section 3.6(f), an amount equal to the Monthly Interest, Commitment Fees and other amounts owing to such Purchaser Group which were unpaid on the preceding Payment Date plus interest on such unpaid amount for the period from the preceding Payment Date to the current Payment Date at a rate equal to the Prime Rate plus ●% per annum.

"**Non-Conduit Purchaser**" means each financial institution or other entity (other than a commercial paper conduit, Group Bank or Funding Agent) listed on Schedule E or party to a Purchaser Group Supplement pursuant to which such financial institution or entity became a party to this Supplemental Indenture.

"**Non-Conduit Purchaser Group**" means a Non-Conduit Purchaser.

"**Non-Conduit Purchaser Participants**" is defined in Section 9.1(f).

"**Non-Deferrable Draw Amount**" means, with respect to any Purchaser Group as of any Increase Date, an amount equal to the lesser of (a) the excess, if any, of (x) **[10]**% of the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group over (y) the portion of any Increase Amounts funded by such Purchaser Group during the preceding thirty-five (35) days pursuant to a Non-Deferrable Increase Notice or, to the extent of any decrease pursuant to Section 3.3(e) in the Delayed Amount set forth in a Delayed Funding Notice delivered by such Purchaser Group, a Deferrable Increase Notice; and (b) the excess, if any, of (x) the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group, over (y) the sum of (i) the Purchaser Group Principal Amount with respect to such Purchaser Group; and (ii) any unfunded Delayed Amounts with respect to such Purchaser Group, in each case as of such Increase Date. [**NTD: The percentage in (a)(x) above is intended to represent the non-deferrable amount.]**

"**Non-Deferrable Increase Notice**" means a notice of Increase that provides that a Delayed Funding Notice may not be provided by any Purchaser Group with respect to such Increase in accordance with Section 3.3(a).

"**Non-Delayed Funding Purchaser Group**" is defined in Section 3.3(f).

"**Optional Termination Date**" is defined in Section 3.4.

"**Optional Termination Notice**" is defined in Section 3.4.

["Other Taxes" means any and all current or future stamp or documentary taxes or other excise or property taxes, charges or similar levies arising from any payment made under this Supplemental Indenture, the Trust Indenture, or any other Program Agreement or from the execution, delivery or enforcement of, or otherwise with respect to, this Supplemental Indenture, the Trust Indenture or any other Program Agreement.]

"**Payment Date Waterfall Principal Amount**" means, in respect of the Series 2017-1 Notes:

(a) on any Payment Date that is a Decrease Date in respect of a CEA Decrease before the earlier of (i) the Series 2017-1 Principal Payment Due Date; and (ii) the occurrence of an Acceleration Event, the Decrease Amount of the CEA Decrease occurring on such Payment Date;

(b) on any Payment Date that is not a Decrease Date in respect of a CEA Decrease before the earlier of (i) the Series 2017-1 Principal Payment Due Date; and (ii) the occurrence of an Acceleration Event, nil; and

(c) on any Payment Date occurring on or after the earlier of (i) the Series 2017-1 Principal Payment Due Date; and (ii) the occurrence of an Acceleration Event, the Series 2017-1 Principal Amount.

"**Prime Rate**" means the annual rate of interest announced by ● from time to time as being its reference rate for the determination of interest rates on Canadian dollar denominated commercial loans made by it and commonly referred to by ● as its "prime rate."

["Privacy Laws" shall mean, collectively (a) *An Act Respecting the Protection of Personal Information in the Private Sector* (Quebec); (b) *Personal Information Protection and Electronic Documents Act* (Canada); (c) *Personal Information Protection Act* (British Columbia); and (d) such other similar statutes of Canada or any province in force from time to time and any principles of common or civil law applicable therein, which restrict, control, regulate or otherwise govern the collection, holding, use or communication of personal information.]

"**Pro Rata Share**" means, with respect to any Purchaser Group, on any date, the ratio, expressed as a percentage, which the Purchaser Group Principal Amount with respect to such Purchaser Group bears to the Series 2017-1 Principal Amount on such date.

"**Program Support Provider**" means, with respect to any CP Conduit Purchaser, the Group Bank with respect to such CP Conduit Purchaser and any other or additional Person now or hereafter extending credit, or having a commitment to extend credit to or for the account of, or to make purchases from, such CP Conduit Purchaser or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with such CP Conduit Purchaser's securitization program.

"**Purchaser Group**" means a CP Conduit Purchaser Group or a Non-Conduit Purchaser Group.

"**Purchaser Group Increase Amount**" means, with respect to any Purchaser Group, for any Business Day, such Purchaser Group's Commitment Percentage of the Increase Amount, if any, on such Business Day.

"**Purchaser Group Principal Amount**" means, with respect to any Purchaser Group, (a) when used with respect to the Series 2017-1 Closing Date, such Purchaser Group's Commitment Percentage of the Series 2017-1 Initial Principal Amount; and (b) when used with respect to any other date, an amount equal to (i) the Purchaser Group Principal Amount with respect to such Purchaser Group on the immediately preceding Business Day; plus (ii) the Purchaser Group Increase Amount with respect to such Purchaser Group on such date; minus (iii) the amount of principal payments made to such Purchaser Group pursuant to Section 3.7(c) on such date. For the avoidance of doubt, (x) so long as any Purchaser Group has failed to fund any portion of its Purchaser Group Increase Amount with respect to any Increase Date (including any Delayed Amount), such unfunded amount shall not be included in the Purchaser Group Principal Amount for such Purchaser Group unless and until such amount has been funded (including by Funding any Delayed Funding Reimbursement Amount, if applicable), and (y) any Delayed Amounts funded on an Increase Date by a Non-Delayed Funding Purchaser Group shall be included in the Purchaser Group Principal Amount for such Non-Delayed Funding Purchaser Group until the related Delayed Funding Reimbursement Amount has been funded.

"**Purchaser Group Supplement**" is defined in Section 9.1(e).

"**Rating Agency Condition**" means, with respect to any action in respect of the Series 2017-1 Senior Notes subject to such condition, each of the CP Conduit Purchasers shall deliver written notice of the proposed action to the CP Conduit Rating Agencies at least 10 Business Days prior to the effective date of such action (or if 10 Business Days prior notice is impractical, such advance notice as is practicable) and the CP Conduit Rating Agencies (i) shall not have informed any CP Conduit Purchaser prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Commercial Paper of the CP Conduit Purchaser immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, when it is a CP Conduit Rating Agency, DBRS shall have informed each of the CP Conduit Purchasers in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating of any Commercial Paper of such CP Conduit Purchasers immediately before the taking of such action. For purposes of the Trust Indenture, this Supplemental Indenture and the Master Transfer and Servicing Agreement, the Indenture Trustee shall receive, and shall be entitled to rely on, a certificate of a CP Conduit Purchaser confirming the satisfaction of the Rating Agency Condition.

"**Refinancing Decrease**" is defined in Section 3.4(a).

"**Refinancing Increase**" is defined in Section 3.3(a).

"**Regulatory Change**" shall mean (i) the adoption after the date hereof of any applicable law, rule or regulation (including any applicable law, rule or regulation regarding capital adequacy, deposits, reserves or liquidity coverage) or any change therein after the date hereof, (ii) any change after the date hereof in the interpretation, administration, scope or timing of implementation thereof by any governmental authority, central bank, self-regulating professional

body or comparable agency or authority charged with the interpretation or administration thereof, or compliance with any guidance, request or directive (whether or not having the force of law) of any such authority, central bank, self-regulating professional body or comparable agency or authority; provided that for purposes of this definition, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof, and (y) all requests, rules, guidelines and directives (whether or not having the force of law) promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or Canadian or United States or other foreign regulatory authorities, shall in each case be deemed to be a "Regulatory Change", regardless of the date enacted, adopted, issued or implemented.

"**Related Non-Conduit Purchaser**" means, with respect to any Non-Conduit Purchaser Group, the Non-Conduit Purchaser that constitutes such Non-Conduit Purchaser Group.

"**Related Purchaser Group**" means, with respect to (a) any Funding Agent, the CP Conduit Purchaser identified next to such Funding Agent on Schedule E and the Group Bank identified on Schedule I next to such CP Conduit Purchaser or the CP Conduit Purchaser and Group Bank party to the Purchaser Group Supplement pursuant to which such Funding Agent became a party to this Supplemental Indenture; (b) any CP Conduit Purchaser, the CP Conduit Purchaser Group of which such CP Conduit Purchaser is a member; and (c) any Non-Conduit Purchaser, the Non-Conduit Purchaser Group that such Non-Conduit Purchaser constitutes.

"**Requisite Series 2017-1 Noteholders**" means Purchaser Groups having Commitment Percentages aggregating more than 50% (or if all Commitments have terminated, Purchaser Groups whose aggregate Purchaser Group Principal Amounts exceed 50% of the Series 2017-1 Principal Amount).

"**Scheduled Commitment Expiry Date**" means, ●, as such date may be extended in accordance with Section 3.5(c). [**NTD: two years out.]**

"**Series 2017-1 Cash Reserve Account**" is defined in Section 5.1.

"**Series 2017-1 Cash Reserve Required Amount**" means ●.

"**Series 2017-1 Closing Date**" is defined in Section 3.3(a).

"**Series 2017-1 Initial Principal Amount**" is defined in Section 3.3(a).

"**Series 2017-1 Maximum Principal Amount**" means, on any date of determination, the sum of the Maximum Purchaser Group Principal Amounts with respect to each of the Purchaser Groups on such date.

"**Series 2017-1 Noteholder**" means a Person in whose name a Series 2017-1 Senior Note is registered in the Note Register.

"**Series 2017-1 Principal Amount**" means, on any date of determination, the sum of the Purchaser Group Principal Amounts with respect to each of the Purchaser Groups on such date.

"**Series 2017-1 Principal Payment Due Date**" means ●. [**NTD: the date upon which the Series 2017-1 Senior Notes become due and payable – a date after May 1, 2021?**]

"**Series 2017-1 Principal Payment Default Date**" means ●. [**NTD: the "cure period" number of days after the Series 2017-1 Principal Payment Due Date when an Event of Default will occur if the Series 2017-1 Senior Notes are not paid in full.]**

"**Series 2017-1 Senior Note**" means any one of the Series 2017-1 Variable Funding Senior Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Exhibit B.

"**Standard & Poor's**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"**Supplemental Indenture**" means this Amended and Restated Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Support Facility**" shall mean any liquidity or credit support agreement with a CP Conduit Purchaser which relates to, or is otherwise available to such CP Conduit Purchaser in relation to its funding activities under, this Supplemental Indenture.

"**Taxes**" is defined in Section 3.10(a).

"**Termination Event**" means any Event of Default or any event which with the giving of notice or the passage of time, or both, could become an Event of Default.

"**Transfer Increase**" is defined in Section 3.3(a).

"**Transfer Supplement**" is defined in Section 9.1(c).

"**Transferee**" is defined in Section 9.1(g).

"**Trust Indenture**" means the trust indenture dated as of ●, 2017 between the Issuer and the Indenture Trustee, as amended or restated from time to time.

"**Write-Down and Conversion Powers**" shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SCHEDULE B

[FORM OF NOTE]

SERIES 2017-1 SENIOR NOTE

●

SCHEDULE C

FORM OF INCREASE NOTICE

●

SCHEDULE D

FORM OF DECREASE NOTICE

●

SCHEDULE E

PURCHASER GROUPS

From: Hanslep, Malle (MOF)
To: Sarah Harris
Cc: Tobias P. Whitfield (MOF)
Subject: FW: Fair Hydro -- Change of Law Assumption Agreement
Date: Wednesday, October 25, 2017 2:44:10 PM
Attachments: Warehouse Supplement - October 17, 2017.doc

FYI

-----Original Message-----

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: October 21, 2017 11:28 PM

To: Whitfield, Tobias P. (MOF)

Cc: 'LEE John -TREASURY'; 'RYFA Ken -TREASURY'; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'; Emes, Aaron; Mansoori, Nina

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thanks for your email. Based on the term sheet, since the Province isn't guaranteeing the obligations under these agreements but only stepping in if there is a change of law "protection event", we did not expect the drafting of the Change of Law Protection Agreement would be implicated by these other agreements (particularly now that we have proposed dealing with the Province's approval of the various program agreements in a separate procedures document). We also understand that in order to be in a position to close on a financing before year end, the Change of Law Protection Agreement needs to be substantially settled by early November. If that is still the case, then we expect the dealers and their counsel will need to see a draft in this coming week.

In the interest of time, we have attached an initial draft of the supplemental indenture for the warehouse facility which, as noted previously, has not yet been reviewed by OPG and Torys. The supplemental for the long term financing will be a simpler document - with mechanics for issuing the notes and pricing information but likely no additional covenants and events of default and no drawdown mechanics like the warehouse facility.

We will start copying the Province and Blakes on circulations of all documents going forward. Please let us know if the entire team on this email should be copied or only Blakes and the Provincial legal team.

Best Regards,

Nina

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: October-21-17 8:53 AM

To: Mansoori, Nina <nmansoori@torys.com>

Cc: 'LEE John -TREASURY' <john.s.lee@opg.com>; 'RYFA Ken -TREASURY' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com>; Emes, Aaron <aemes@torys.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: Re: Fair Hydro -- Change of Law Assumption Agreement

Nina,

We are working on a draft of the Change of Law Protection Agreement, but cannot complete the drafting until we have seen a draft of the Supplemental Indenture and the other instruments that are to be guaranteed.

We are also working on drafting some responses and comments to your comments from Wednesday on the approval process document, and will get back to you with those soon.

Best

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

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Toronto, ON, M5G 2C8

tobias.whitfield@ontario.ca

Phone: 416-325-1456

From: Mansoori, Nina

Sent: Friday, October 20, 2017 10:23 AM

To: Whitfield, Tobias P. (MOF)

Cc: 'LEE John -TREASURY'; 'RYFA Ken -TREASURY'; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'; Emes, Aaron; Mansoori, Nina

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

In the interest of time, we have drafted a procedures agreement incorporating the approval mechanics we circulated below. As noted in previous correspondence, we think the approval process should be the subject of a separate agreement and not included in the Change of Law Protection Agreement you are drafting. Please note that the attached remains subject to the continuing review of OPG and Torys.

Can you please also let us know when we can expect to see a draft of the Change of Law Protection Agreement?

Many thanks,

Nina

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Mansoori, Nina

Sent: October-18-17 9:53 AM

To: 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>

Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby – further to discussions between OPG and the Province, please find attached comments on the draft proposal under the Change of Law Protection Agreement (blacklined to the draft circulated below). The attached reflects our comments from accounting, operational and financeability perspectives. In particular, the financeability of the program will turn on whether there is a clear and concise way for investors to determine that an incurrence of funding obligations will be covered under the Change of Law Protection Agreement and that, once confirmed, the confirmation is irrevocable. Accordingly, we have proposed in the attached that a simple confirmation from OPG to a third party binds the Province in respect of the incurrence of the applicable funding obligations provided that OPG has satisfied the requirements of the approval process (which we propose be the subject of a separate procedures agreement or memo). Please note that the attached remains subject to the review of the working group including the dealers and the rating agencies.

Best Regards,

Nina

Nina Mansoori

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: October-13-17 4:47 PM

To: Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>

Cc: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca<mailto:Mark.Donaldson@ontario.ca>>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca<mailto:Scott.Nelms@ontario.ca>>; Devine, James (OFA) <James.Devine@ofina.on.ca<mailto:James.Devine@ofina.on.ca>>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca<mailto:Carlos.Yep@ofina.on.ca>>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Cengarle, John (MOF) <John.Cengarle@ontario.ca<mailto:John.Cengarle@ontario.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Katona, Keley (MOF) <Keley.Katona@ontario.ca<mailto:Keley.Katona@ontario.ca>>; He, Gavin (OFA) <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca<mailto:Anis.Hirani@ofina.on.ca>>; Kim, John (OFA) <John.Kim@ofina.on.ca<mailto:John.Kim@ofina.on.ca>>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Please find attached our comments on your response of October 6. We have moved the text of your email to the attached document and responded inline in square brackets for ease of review.

We recognize that we are running out of time, and that we should discuss and move this forward at the beginning of next week.

We also generally recognize that, although there are still some gaps in our respective approaches, we would find it helpful to have some more specific suggestions and comments on our Sept. 27 draft in order to help move this forward. This might include also the timing issues, with some indication of where, if OPG finds the timing does not work, some alternatives can be suggested for consideration.

Best

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca<mailto:tobias.whitfield@ontario.ca>

Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: October 6, 2017 5:58 PM

To: Whitfield, Tobias P. (MOF)

Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka;

Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,

Nina

Accounting Issues:

E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence -that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt -the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts) -the negative pledge with respect to the exercise of certain options on the debt -the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have. Please also advise if the Province's accountants have reviewed the proposal.

Practical Issues:

* The procedural steps to bind the Province are lengthy and complicated. From our perspective, as drafted, OPG will likely have to seek Provincial approval on each debt issuance (which weakens the accounting as discussed above). The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself. Setting aside the mechanics of how we get there, the dealers want comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement. We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met. The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.

* In addition to the accounting concerns, the level of detail and frequency of reporting required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.

Drafting Issues:

* Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.

* We'd like to understand the reason OPG's management fees have been excluded. We assume you do not intend for OPG's reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? Please advise why taxes are being excluded?

* There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.

* We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: September-27-17 4:21 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; 'WONG Leslie - LAWDIV' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>

Cc: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca<mailto:Mark.Donaldson@ontario.ca>>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca<mailto:Scott.Nelms@ontario.ca>>; Devine, James (OFA) <James.Devine@ofina.on.ca<mailto:James.Devine@ofina.on.ca>>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca<mailto:Carlos.Yep@ofina.on.ca>>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Cengarle, John (MOF) <John.Cengarle@ontario.ca<mailto:John.Cengarle@ontario.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Katona, Keley (MOF) <Keley.Katona@ontario.ca<mailto:Keley.Katona@ontario.ca>>; He, Gavin (OFA) <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca<mailto:Anis.Hirani@ofina.on.ca>>; Kim, John (OFA) <John.Kim@ofina.on.ca<mailto:John.Kim@ofina.on.ca>>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Rima,

Further to our earlier conversations, please find attached our proposed process for confirmation of application of the Protection Agreement.

We would be happy to discuss further when you have had a chance to review.

Best

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca<mailto:tobias.whitfield@ontario.ca>

Phone: 416-325-1456

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: September 25, 2017 12:21 PM

To: 'STEPHEN.ASHBOURNE@blakes.com'; Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)

Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Feldman, Michael; Mansoori, Nina

Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Good morning all, just following up on our email below. Please let us know when we should expect your feedback.

Many thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

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From: Ramchandani, Rima

Sent: September-19-17 9:55 PM

To: 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>

Cc: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>

Subject: Fair Hydro -- Change of Law Assumption Agreement

Steve, Malle and Toby, further to our meeting the other day, set out below for your review is a proposal on the Provincial approval process under the Change of Law Assumption Agreement. Once we have your feedback on this, we will need to share it with Osler and the accountants and as John mentioned, we are under some time pressure to bring this to a resolution prior to the upcoming June 29 OPG Board meeting. We look forward to your comments, and feel free to reach out if you have any questions. -- Rima

Obligor Approval

The Change of Law Assumption Agreement will apply to all Specified Claims relating to Funding Obligations that are incurred by an Eligible Financing Entity in accordance with the Obligor's approval process. The definition of Specified Claims to be mutually agreed by all parties.

In order for a Financing Entity to become designated as an Eligible Financing Entity by the Obligor, prior to the initial issuance of Funding Obligations by such Financing Entity, the Obligor will be provided with copies of the following documents (collectively the "Program Documents") for review:

(i) the constating documents of such Financing Entity;

(ii) the management agreement between the Financing Entity and OPG;

(iii) the master transfer and servicing agreement between the Financing Entity and the IESO;

(iv) the master trust indenture governing the issuance of Funding Obligations by the Financing Entity;

(v) a form of supplemental indenture governing the issuance of bonds, issuable in series, by the Financing Entity;

(vi) a form of note purchase agreement or credit agreement governing the issuance of short term Funding Obligations by the Financing Entity;

(vii) a form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; and

(viii) such other documents as may be requested by the Obligor.

Once a Financing Entity is designated by the Obligor as an Eligible Financing Entity, it will not be necessary for the Obligor to approve the documentation related to specific issuances of Funding Obligations; however, OPG will be expected to notify the Obligor of any new material program documentation or any material amendments to existing program documentation before such new documentation or amendments become effective. The failure of OPG to provide any such notice will not invalidate the application of the Change of Law Assumption Agreement to any Specified Claims.

It will not be necessary for the Obligor to approve each new issuance of Funding Obligations provided that such Funding Obligations are issued in accordance with following:

(1) The Funding Obligations are issued in accordance with agreements that contain: (a) covenants of the Eligible Financing Entity that are no more onerous in any material respect and (b) events of default that are consistent in all material respects, respectively, with the covenants of the Eligible Financing Entity and events of default contained in the draft Program Documents.

(2) At least [30 days] prior to the initial issuance of Funding Obligations by an Eligible Financing Entity, OPG will provide the Obligor with a forecast of the principal amount and expected term of the Funding Obligations that OPG expects such Eligible Financing Entity to issue in accordance with the Financing Plan in the next two years (a "Two Year Forecast"). The execution of the Change of Law Assumption Agreement in respect of such Eligible Financing Entity shall constitute the Obligor's approval of the issuance of Funding Obligations by such Eligible Financing Entity in accordance with the Two Year Forecast.

(3) OPG shall provide the Obligor with an updated Two Year Forecast between 9 and 12 months prior to the expiry of each current Two Year Forecast.

(4) Unless the Obligor provides OPG with a written notice no later than 3 months prior to the date following receipt of the current Two Year Forecast that the Change of Law Assumption Agreement will be inapplicable with respect to new Funding Obligations incurred following the expiry of the

current Two Year Forecast, the Obligor will be deemed to approve the application of the Change of Law Assumption Agreement to all Funding Obligations incurred up to the expiry of the new Two Year Forecast.

At the time of issuance of Funding Obligations by an Eligible Financing Entity, the Financing Entity will provide (i) any required certifications to the underwriters/agents that such Funding Obligations are covered by the Change of Law Assumption Agreement; and (ii) notice to the Obligor of the material terms of the Funding Obligations issued, together with electronic copies of the final executed Program Documents.

P. 416.865.7666

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permanente.

SERIES 2017-1 SUPPLEMENTAL INDENTURE

between

[ISSUER] TRUST

by

● TRUST COMPANY OF CANADA
as Issuer Trustee

and

● TRUST COMPANY OF CANADA
as Indenture Trustee

and

●
as Administrative Agent

and

CERTAIN CP CONDUIT PURCHASERS,
CERTAIN NON-CONDUIT PURCHASERS
CERTAIN FUNDING AGENTS
and CERTAIN GROUP BANKS

Made as of ●, 2017

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FLOATING RATE VARIABLE FUNDING SENIOR NOTES, SERIES 2017-1

SUPPLEMENTAL INDENTURE made as of ●, 2017, between ● **Trust Company of Canada**, a trust company established under the laws of Canada (the "**Issuer Trustee**"), in its capacity as trustee of ●, a trust existing under the laws of the Province of Ontario (in such capacity, the "**Issuer**"), ● **Trust Company of Canada**, a trust company established under the laws of Canada (the "**Indenture Trustee**"), ●, in its capacity as the administrative agent for the Purchaser Groups (the "**Administrative Agent**"), the **Non-Conduit Purchasers** from time to time party hereto, the **CP Conduit Purchasers** from time to time party hereto, and the **Funding Agents** for the CP Conduit Purchaser Groups from time to time party hereto.

WHEREAS pursuant to the Trust Indenture, provision was made for the issuance of Notes from time to time;

AND WHEREAS pursuant to the Trust Indenture, the Notes may be issued in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of the Series 2017-1 Senior Notes;

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) The provisions of Section 1.1 of the Trust Indenture are applicable to this Supplemental Indenture. All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article 1 of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2017-1 Senior Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental Indenture are

applicable only in respect of the Series 2017-1 Senior Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2017-1 Senior Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2017-1 Senior Notes in accordance with Section 1.2 above.

ARTICLE 2
PRINCIPAL TERMS

2.1 Creation of Series 2017-1 Senior Notes

There is hereby created a Series of Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**Floating Rate Variable Funding Senior Notes, Series 2017-1**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2017-1 Senior Notes:

(a) will be designated as set out in Section 2.1;

(b) will be Senior Notes;

(c) will have a Stated Principal Amount equal to the Series 2017-1 Maximum Principal Amount;

(d) will not be issued in Classes or Tranches;

(e) will be denominated in Canadian dollars;

(f) will not be listed on any securities exchange;

(g) will have an Initial Dollar Principal Amount equal to the Series 2017-1 Initial Principal Amount;

(h) will be issued as definitive notes and will not be in the form of a Global Note;

(i) will be issued as Registered Notes and will be without coupons;

(j) will be Senior Notes and will not be subordinated to any other Series, Class or Tranche of Notes;

(k) will be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Issuer Trustee;

(l) will have a Principal Payment Due Date that is the Series 2017-1 Principal Payment Due Date;

(m) will have a Principal Payment Default Date that is the Series 2017-1 Principal Payment Default Date; and

(n) will have no minimum issue amount.

ARTICLE 3
NOTE PURCHASE FACILITY

3.1 Purchase of Notes by the Purchasers

(a) ***Initial Purchases***. Subject to the terms and conditions of this Supplemental Indenture, including delivery of notice in accordance with Section 3.3, (i) each Non-Conduit Purchaser shall purchase, and each CP Conduit Purchaser may, in its sole discretion, purchase a Series 2017-1 Senior Note in an amount equal to all or a portion of its Commitment Percentage of the Series 2017-1 Initial Principal Amount on any Business Day during the period from the date hereof to and including **[December 15, 2017]**, and if any such CP Conduit Purchaser shall have notified the Administrative Agent and the Funding Agent with respect to such CP Conduit Purchaser that it has elected not to fund a Series 2017-1 Senior Note in an amount equal to its Commitment Percentage of the Series 2017-1 Initial Principal Amount on the Series 2017-1 Closing Date, the Group Bank with respect to such CP Conduit Purchaser shall fund on the Series 2017-1 Closing Date that portion of such Series 2017-1 Senior Note not to be funded by such CP Conduit Purchaser; and (ii) thereafter, (A) each Non-Conduit Purchaser shall maintain its Series 2017-1 Senior Note, subject to increase or decrease during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date, in accordance with the provisions of this Supplemental Indenture, (B) if a CP Conduit Purchaser shall have purchased a Series 2017-1 Senior Note on the Series 2017-1 Closing Date, such CP Conduit Purchaser may, in its sole discretion, maintain its Series 2017-1 Senior Note, subject to increase or decrease during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date, in accordance with the provisions of this Supplemental Indenture, and (C) the Group Bank shall maintain its Series 2017-1 Senior Note with respect to its Related Purchaser Group, subject to increase or decrease during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date, in accordance with the provisions of this Supplemental Indenture. Payments by the Non-Conduit Purchasers, the CP Conduit Purchasers and/or the Group Bank with respect to the CP Conduit Purchasers shall be made in immediately available funds on the Series 2017-1 Closing Date in accordance with Section 3.3(d).

(b) ***Maximum Purchaser Group Principal Amounts***. Notwithstanding anything to the contrary contained in this Supplemental Indenture, at no time shall a Purchaser Group be required to make the initial purchase of a Series 2017-1 Senior Note or increase its Purchaser Group Principal Amount if the sum of (x) Purchaser Group Principal Amount with respect to such Purchaser Group, after giving effect to such purchase or increase, and (y) the sum of any unfunded Delayed Amounts with respect to such Purchaser Group, would exceed the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group at such time.

3.2 Delivery

(a) On the Series 2017-1 Closing Date (or on any later date that any Purchaser Group becomes a party to this Supplemental Indenture), Series 2017-1 Senior Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture (i) in the case of a CP Conduit Purchaser Group, in the name of the Funding Agent with respect to such CP Conduit Purchaser Group (or as otherwise requested by such CP Conduit Purchaser Group and agreed to by the Issuer) in an amount equal to the Maximum Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group and delivered to such Funding Agent; or (ii) in the case of a Non-Conduit Purchaser Group, in the name of the Related Non-Conduit Purchaser in an amount equal to the Maximum Purchaser Group Principal Amount with respect to such Related Non-Conduit Purchaser Group and delivered to such Related Non-Conduit Purchaser.

(b) The Administrative Agent shall maintain a record of the actual Purchaser Group Principal Amount outstanding with respect to each Purchaser Group and the actual Series 2017-1 Principal Amount outstanding on any date of determination, which, absent manifest error, shall constitute prima facie evidence of the outstanding Purchaser Group Principal Amounts and outstanding Series 2017-1 Principal Amount from time to time. Upon a written request from the Indenture Trustee, the Administrative Agent shall provide in writing the identity of the Purchaser Groups, the related Funding Agents for each CP Conduit Purchaser Group, the Purchaser Group Principal Amount for each Purchaser Group and the Commitment Percentage with respect to such Purchaser Group to the Indenture Trustee.

3.3 Procedure for Initial Issuance and for Increasing the Series 2017-1 Principal Amount

(a) (i) On any Business Day prior to [**December 15, 2017**], in the case of a Non-Conduit Purchaser Group, the Related Non-Conduit Purchaser hereby agrees, or in the case of a CP Conduit Purchaser Group, the CP Conduit Purchaser in such CP Conduit Purchaser Group may agree, in its sole discretion, and the Group Bank with respect to such CP Conduit Purchaser hereby agrees, that it will purchase a Series 2017-1 Senior Note for an initial purchase price equal to the Commitment Percentage with respect to such Purchaser Group of the Series 2017-1 Initial Principal Amount upon the request of the Issuer (the date on which the initial purchase occurs being referred to as the "**Series 2017-1 Closing Date**"); provided, however, that the Issuer shall have given the Administrative Agent (with a copy to the Indenture Trustee) irrevocable written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Schedule C no later than **[3:00 p.m.]** (Toronto time) on the third Business Day prior to the Series 2017-1 Closing Date. The written notice of the initial purchase of the Series 2017-1 Senior Notes shall state (x) the Series 2017-1 Closing Date, and (y) the initial total purchase price to be paid for the Series 2017-1 Senior Notes (the "**Series 2017-1 Initial Principal Amount**"); and (ii) subject to Section 3.3(e), on any Business Day during the period from the initial purchase of the Series 2017-1 Senior Notes hereunder to and including the Commitment Expiry Date, in the case of a Non-Conduit Purchaser Group, the Related Non-Conduit Purchaser hereby agrees, or in the case of a CP Conduit Purchaser Group, the CP Conduit Purchaser in such CP Conduit Purchaser Group may agree, in its sole discretion, and the Group Bank with respect to such CP Conduit Purchaser hereby agrees that the Purchaser Group Principal Amount with respect to such Purchaser Group may be increased by an amount equal to the Commitment Percentage with respect to such Purchaser Group of the Increase Amount (an

"**Increase**"), upon the request of the Issuer (each date on which an increase in the Series 2017-1 Principal Amount occurs hereunder being herein referred to as the "**Increase Date**" applicable to such Increase); provided, however, that the Issuer shall have given the Administrative Agent (with a copy to the Indenture Trustee) irrevocable (other than as specified in Section 3.3(e)) written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Schedule C (an "**Increase Notice**") no later than **[3:00 p.m.]** (Toronto time) on (A) with respect to a Deferrable Increase Notice, the third Business Day prior to such Increase Date, or (B) with respect to a Non-Deferrable Increase Notice, the second Business Day prior to such Increase Date. Each Increase Notice shall state (x) the Increase Date, (y) the proposed amount of the increase in the Series 2017-1 Principal Amount (an "**Increase Amount**"), (z) whether a Delayed Funding Notice may be delivered in connection with such Increase pursuant to Section 3.3(e) and whether the Increase is to fund a Transfer (a "**Transfer Increase**") or is in respect of a Refinancing (a "**Refinancing Increase**"). The Commitment Percentage with respect to any Purchaser Group of the Increase Amount set forth in any Non-Deferrable Increase Notice shall not exceed such Purchaser Group's Non-Deferrable Draw Amount as of the related Increase Date.

(b) If a CP Conduit Purchaser elects not to fund the full amount of its Commitment Percentage of a requested Increase, such CP Conduit Purchaser shall notify the Administrative Agent and the Funding Agent with respect to such CP Conduit Purchaser, and the Group Bank with respect to such CP Conduit Purchaser shall fund the portion of the Commitment Percentage with respect to such Related Purchaser Group of such Increase not funded by such CP Conduit Purchaser.

(c) No Purchaser Group shall be required to increase its Purchaser Group Principal Amount on any Increase Date hereunder unless:

(i) such Purchaser Group's Commitment Percentage of such Increase Amount is equal to (A) $**[1,000,000]** or more, or (B) if less, the excess of the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group over the Purchaser Group Principal Amount with respect to such Purchaser Group; and

(ii) after giving effect to such Increase Amount, the sum of the (x) the Purchaser Group Principal Amount, and (y) any unfunded Delayed Amounts with respect to such Purchaser Group would not exceed the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group;

(d) Upon receipt of any notice required by Section 3.3(a) or permitted by Section 3.3(e) from the Issuer, the Administrative Agent shall forward (by telecopy or electronic messaging system) a copy of such notice to each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group (or, with respect to any notice pursuant to Section 3.3(e) requiring a Delayed Funding Purchaser Group to decrease its Delayed Amount, the applicable Non-Conduit Purchaser or Funding Agent), no later than **[5:00 p.m.]** (Toronto time) on the day received. After receipt by any Funding Agent with respect to a CP Conduit Purchaser Group of such notice from the Administrative Agent, such Funding Agent shall, so long as the conditions set forth in Sections 3.3(a) and (c) and Article 4 are satisfied, promptly provide telephonic notice to the related CP Conduit Purchaser and the related Group Bank, of the Increase Date and of such CP Conduit Purchaser Group's Commitment Percentage of the Series 2017-1 Closing Date or Increase Amount, as applicable. Subject to Section 3.3(e), if such CP Conduit Purchaser

elects to fund all or a portion of its Commitment Percentage of the Series 2017-1 Initial Principal Amount or the Increase Amount, as applicable, such CP Conduit Purchaser shall pay in immediately available funds its Commitment Percentage (or any portion thereof) of the amount of the Series 2017-1 Initial Principal Amount or Increase Amount, as applicable, on the Series 2017-1 Closing Date or the related Increase Date, as applicable, to the Funding Agent with respect to such CP Conduit Purchaser Group for remittance to the Indenture Trustee for application in accordance with Section 3.3(h). Subject to Section 3.3(e), if such CP Conduit Purchaser does not fund the full amount of the Commitment Percentage of such CP Conduit Purchaser Group of the Series 2017-1 Initial Principal Amount or an Increase Amount, as applicable, and the related Group Bank is required to fund the portion thereof not funded by the CP Conduit Purchaser, such Group Bank shall pay in immediately available funds such portion on the Series 2017-1 Closing Date or the related Increase Date, as applicable, to the Funding Agent with respect to such CP Conduit Purchaser Group. Each Funding Agent shall remit the amounts received by it from its CP Conduit Purchaser or the related Group Bank pursuant to this Section 3.3(d) to the Indenture Trustee for application in accordance with Section 3.3(h). Subject to Section 3.3(e), so long as the conditions set forth in Sections 3.3(a) and (c) and Article 4 are satisfied, each Non-Conduit Purchaser shall pay in immediately available funds the Commitment Percentage of such Non-Conduit Purchaser of the amount of the Series 2017-1 Initial Principal Amount or Increase Amount, as applicable, on the Series 2017-1 Closing Date or the Increase Date, as applicable, to the Indenture Trustee for application in accordance with Section 3.3(h).

(e) Notwithstanding any of the foregoing, any Group Bank or Non-Conduit Purchaser who shall have previously notified the Issuer in writing that it or any related Program Support Provider may, in the absence of the Group Bank or Non-Conduit Purchaser having the ability to deliver Delayed Funding Notices hereunder, incur charges under, or in anticipation of, Basel III (which may include external charges incurred by the Group Bank, Non-Conduit Purchaser or Program Support Provider or internal charges incurred by any of their businesses) in respect of its Commitment hereunder or any agreement to support such Commitment, or in respect of its interest in the Series 2017-1 Senior Notes, based on its "liquidity coverage ratio" calculated under Basel III, may, upon receipt of any Deferrable Increase Notice pursuant to Section 3.3(a), notify the Issuer in writing (a "**Delayed Funding Notice**") on or prior to **[12:00 noon]** (Toronto time) on the second Business Day preceding the related Increase Date, of its intent to fund an amount up to its Commitment Percentage of the related Increase Amount (such amount, subject to any adjustment described below, the "**Delayed Amount**") on a Business Day that is on or before the thirty-third (33rd) day following the Increase Date specified in such Deferrable Increase Notice (the "**Delayed Funding Date**") rather than on such Increase Date. If any Group Bank or Non-Conduit Purchaser provides a Delayed Funding Notice to the Issuer following the Issuer's delivery of an Increase Notice pursuant to Section 3.3(a), the Issuer may with written notice to the Administrative Agent delivered prior to 3:00 pm on the second Business Day preceding such Increase Date, (x) decrease the Increase Amount with respect to such Deferrable Increase Notice (or revoke such Deferrable Increase Notice by decreasing the Increase Amount to zero), and/or (y) require any Group Bank or Non-Conduit Purchaser who has provided a Delayed Funding Notice to reduce the Delayed Amount with respect to such Increase by an amount no greater than the Non-Deferrable Draw Amount with respect to such Purchaser Group as of the related Increase Date. In the event that the Increase Amount with respect to such Deferrable Increase Notice is reduced, but not to zero, then any Delayed Amount with respect to any Purchaser Group shall be reduced on a pro rata basis unless otherwise specified by the Issuer

pursuant to clause (y) above. No Purchaser Group that has provided a Delayed Funding Notice in respect of an Increase (each a "**Delayed Funding Purchaser Group**") shall be considered to be in default of its obligation to fund its Delayed Amount pursuant to this Section 3.3 unless and until it has failed to fund the Delayed Amount (and/or the Delayed Funding Reimbursement Amount with respect to such Delayed Amount) on or before the Delayed Funding Date.

(f) If (i) one or more Delayed Funding Purchaser Groups provides a Delayed Funding Notice to the Issuer in respect of any Increase Date; and (ii) the Issuer shall not have decreased the related Increase Amount to zero or required each such Delayed Funding Purchaser Group to reduce the Delayed Amount with respect to such Increase to zero, in each case, pursuant to Section 3.3(e), the Administrative Agent shall, by no later than **[12:00 noon]** (Toronto time) on the Business Day preceding such Increase Date, direct each Purchaser Group that is not a Delayed Funding Purchaser Group with respect to such Increase Date (each a "**Non-Delayed Funding Purchaser Group**") to fund an additional portion of such Increase Amount on such Increase Date equal to such Non-Delayed Funding Purchaser Group's proportionate share (based upon the Maximum Purchaser Group Principal Amount with respect to such Non-Delayed Funding Purchaser Group relative to the sum of the Maximum Purchaser Group Principal Amounts with respect to all Non-Delayed Funding Purchaser Groups) of the aggregate Delayed Amounts with respect to such Increase Date; provided that no Non-Delayed Funding Purchaser Group shall be required to fund any portion of the aggregate Delayed Amounts that would cause its Purchaser Group Principal Amount to exceed its Maximum Purchaser Group Principal Amount. Subject to Section 3.3(a), in the case of a Non-Delayed Funding Purchaser Group that is a Non-Conduit Purchaser, such Non-Conduit Purchaser hereby agrees, or, in the case of a Non-Delayed Funding Purchaser Group that is a CP Conduit Purchaser Group, the CP Conduit in such CP Conduit Purchaser Group may agree, in its sole discretion, and the Group Bank in such CP Conduit Purchaser Group hereby agrees, to fund such portion of the Increase Amount on such Increase Date.

(g) After the Non-Delayed Funding Purchaser Groups fund a Delayed Amount on any Increase Date in accordance with Section 3.3(f), the Delayed Funding Purchaser Group in respect of such Delayed Amount will be obligated to fund the Delayed Funding Reimbursement Amount with respect to such Delayed Amount on or before its Delayed Funding Date, irrespective of whether the Scheduled Commitment Expiry Date shall have occurred on or prior to such Delayed Funding Date or the Issuer would be able to satisfy the conditions set forth in Section 3.3(c) to an Increase in an amount equal to such Delayed Funding Reimbursement Amount on such Delayed Funding Date. Such Delayed Funding Purchaser Group shall fund such Delayed Funding Reimbursement Amount on such Delayed Funding Date by paying such amount to the Administrative Agent in immediately available funds, and the Administrative Agent shall distribute such funds to each such Non-Delayed Funding Purchaser Group, *pro rata* based on the relative amount of such Delayed Amount funded by such Non-Delayed Funding Purchaser Group on such Increase Date pursuant to Section 3.3(f).

(h) The Indenture Trustee shall apply amounts paid to it pursuant to Section 3.3(d) in the following order of priority:

(i) As to an amount equal to the Series 2017-1 Cash Reserve Required Amount, by deposit to the Series 2017-1 Cash Reserve Account; and

(ii) as to the balance, in respect of the proceeds of the initial purchase of the Series 2017-1 Notes or a Transfer Increase, by application to payment of the purchase price payable by the Issuer to the IESO under the Master Transfer and Servicing Agreement in respect of the related Transfer and, in respect of the proceeds of a Refinancing Increase, by deposit to the Refinancing Account.

3.4 Procedure for Decreasing the Series 2017-1 Principal Amount; Optional Termination

(a) In the case of a Non-Conduit Purchaser Group, the Related Non-Conduit Purchaser hereby agrees, and in the case of a CP Conduit Purchaser Group, each of the CP Conduit Purchasers and the Group Bank in such CP Conduit Purchaser Group hereby agrees, that the Purchaser Group Principal Amount with respect to such Purchaser Group may be decreased by an amount equal to the Commitment Percentage with respect to such Purchaser Group of a Decrease Amount (a "**Decrease**"), upon the request of the Issuer. Each date on which a Decrease in the Series 2017-1 Principal Amount occurs hereunder being herein referred to as the"**Decrease Date**" applicable to such Decrease; provided, however, that the Issuer shall have given the Administrative Agent (with a copy to the Indenture Trustee) irrevocable written notice (effective upon receipt), by telecopy (receipt confirmed), substantially in the form of Schedule D (a "**Decrease Notice**") no later than **[3:00 p.m.]** (Toronto time) on the second Business Day prior to such Decrease Date. Each Decrease Notice shall state (x) the Decrease Date, (y) the proposed amount of the decrease in the Series 2017-1 Principal Amount (a "**Decrease Amount**"), and (z) whether the Decrease is being funded with the proceeds of a Refinancing (a "**Refinancing Decrease**") or pursuant to the application of collected Clean Energy Adjustments (a "**CEA Decrease**").

(b) Upon each Decrease, the Administrative Agent shall indicate in its records such Decrease and the Purchaser Group Principal Amount outstanding with respect to each Purchaser Group after giving effect to such Decrease. Upon receipt of any notice required by this Section 3.4(a) from the Issuer, the Administrative Agent shall forward (by telecopy or electronic messaging system) a copy of such notice to each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group, no later than **[1:00 p.m.]** (Toronto time) on the Business Day received.

(c) On any Business Day, the Issuer shall have the right to deliver an irrevocable written notice (an "**Optional Termination Notice**") to the Administrative Agent in which the Issuer declares that the Commitments shall terminate on the date (the "**Optional Termination Date**") set forth in such notice (which date, in any event, shall be a Payment Date not less than twenty Business Days from the date on which such notice is delivered). Upon receipt of any Optional Termination Notice from the Issuer, the Administrative Agent shall promptly notify each Non-Conduit Purchaser and the Funding Agent with respect to each CP Conduit Purchaser Group thereof.

3.5 Increases and Reductions of the Commitments

(a) The Issuer may from time to time request that any Purchaser Group agree to increase its Maximum Purchaser Group Principal Amount. An increase in such amount shall be effective hereunder if such Purchaser Group shall have agreed in its sole discretion to such increase.

(b) On any Business Day, the Issuer may, upon two (2) Business Days' prior written notice to the Administrative Agent (effective upon receipt) (with copies to the Indenture Trustee) reduce the Series 2017-1 Maximum Principal Amount in an amount equal to $**[10,000,000]** or a whole multiple of $**[1,000,000]** in excess thereof; provided that no such termination or reduction shall be permitted if, after giving effect thereto and to any reduction in the Series 2017-1 Principal Amount on such date, the Purchaser Group Principal Amount with respect to any Purchaser Group would exceed the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group then in effect. Any reduction in the Series 2017-1 Maximum Principal Amount shall be made on a pro rata basis to the Maximum Purchaser Group Principal Amounts with respect to the Purchaser Groups, based on the Maximum Purchaser Group Principal Amount with respect to each Purchaser Group. Once reduced, the Maximum Purchaser Group Principal Amounts may not be subsequently reinstated without each such Purchaser Group's prior written consent, which consent shall be granted or not in the sole discretion of such Purchaser Group.

(c) The Issuer may extend the Scheduled Commitment Expiry Date only with the prior written consent of the Administrative Agent, each Non-Conduit Purchaser and each Funding Agent.

3.6 Interest; Fees and Other Amounts

(a) Interest shall be payable on the Series 2017-1 Senior Notes on each Payment Date.

(b) The Issuer shall pay to each CP Conduit Purchaser Group and each Non-Conduit Purchaser, on each Payment Date, a commitment fee with respect to the preceding Billing Period (the "**Commitment Fee**") during the period from the Series 2017-1 Closing Date to and including the Commitment Expiry Date in an amount equal to the sum of the following amounts calculated for each day during such Billing Period: (x) the Commitment Fee Rate, multiplied by (y) the amount by which Maximum Purchaser Group Principal Amount with respect to such Purchaser Group on such day exceeds the Purchaser Group Principal Amount with respect to such Purchaser Group on such day, and divided by (z) 365. The Commitment Fees shall be payable monthly in arrears on each Payment Date.

(c) The Funding Agent with respect to each CP Conduit Purchaser Group and each Non-Conduit Purchaser shall provide written notice to the Issuer no later than two Business Days prior to each Payment Date, setting forth the Monthly Interest, Fees and Other Amounts with respect to its Related Purchaser Group with respect to the preceding Billing Period.

(d) On each Payment Date, the Monthly Interest, Fees and Other Amounts shall be the amount payable in respect of the Series 2017-1 Notes pursuant to Section 7.04(e)(ii)(A) of the Trust Indenture or Section 8.13(b)(A) of the Trust Indenture, as applicable. On each Payment Date the Indenture Trustee shall, subject to availability of funds, pay to each CP Conduit Purchaser Group and each Non-Conduit Purchaser its Monthly Interest, Fees and Other Amounts with respect to the preceding Billing Period.

(e) If on any Payment Date when distributions of collections are being made under Section 7.04(e)(ii)(A) of the Trust Indenture the amount available to pay Monthly Interest, Fees and Other Amounts under such section is less the Monthly Interest, Fees and Other Amounts, an amount equal to the lesser of (x) such deficiency, and (y) the balance on deposit in the Series

2017-1 Cash Reserve Account shall be withdrawn from the Series 2017-1 Cash Reserve Account and applied to the payment of Monthly Interest, Fees and Other Amounts pursuant to Section 3.6(d).

(f) If the amounts deposited to the Series 2017-1 Distribution Account pursuant to Section 3.6(d) and amounts available pursuant to Section 3.6(e) are insufficient to pay all such amounts in full, the amount available shall be applied in the following order of priority:

(i) Firstly, in respect of Monthly Interest and if insufficient funds are available to pay Monthly Interest in full, to all Purchaser Groups, *pro rata* based on the amount of Monthly Interest owing to each Purchaser Group;

(ii) Secondly, in respect of Commitment Fees and if insufficient funds are available to pay Commitment Fees in full to all Purchaser Groups, *pro rata* based on the amount of Commitment Fees owing to each Purchaser Group; and

(iii) Thirdly, in respect of all other amounts owing to the Purchaser Groups and if insufficient funds are available to pay all other amounts owing in full to all Purchaser Groups, *pro rata* based on the amount of the other amounts owing to each Purchaser Group.

3.7 Repayment of Principal

(a) On each Payment Date, the Payment Date Waterfall Principal Amount shall be the principal amount payable in respect of the Series 2017-1 Senior Notes pursuant to Section 7.04(e)(iii)(A) of the Trust Indenture or Section 8.13(c)(A) of the Trust Indenture, as applicable. On each Payment Date the Indenture Trustee shall, subject to availability of funds, pay to each Non-Conduit Purchaser and each Funding Agent with respect to its Related Purchaser Group, such Purchaser Group's Pro Rata Share of the funds allocated to the Series 2017-1 Senior Notes pursuant to Section 7.04(e)(iii)(A) of the Trust Indenture or Section 8.13(c)(A) of the Trust Indenture, as applicable in repayment of the principal amount of the Series 2017-1 Notes.

(b) If on any Payment Date the amount available to the Purchaser Groups pursuant to Section 7.04(e)(iii)(A) of the Trust Indenture or Section 8.13(c)(A) of the Trust Indenture, as applicable, is less than the Payment Date Waterfall Principal Amount, an amount equal to the lesser of (x) such deficiency, and (y) the balance on deposit in the Series 2017-1 Cash Reserve Account shall be withdrawn from the Series 2017-1 Cash Reserve Account and applied to the repayment of principal amount of the Series 2017-1 Notes.

(c) On each Decrease Date in respect of a Refinancing Decrease Date, the Issuer shall pay to each Non-Conduit Purchaser and each Funding Agent with respect to its Related Purchaser Group, such Purchaser Group's Pro Rata Share of the Decrease Amount.

3.8 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee, the Administrative Agent, each Funding Agent, each CP Conduit Purchaser, the Group Bank, each Non-Conduit Purchaser and each of their respective officers, directors, agents and employees (each, an "**Issuer indemnified person**") from and against any loss, liability, expense, damage or injury suffered or

sustained by such Issuer indemnified person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer indemnified person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 3.8 shall be made solely from funds available pursuant to Section **[7.04]** of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

3.9 Funding Agents

(a) The Funding Agent with respect to each CP Conduit Purchaser Group is hereby authorized to determine the Monthly Interest and Fees with respect to each Billing Period and such CP Conduit Purchaser Group. Any such determination by a Funding Agent, absent manifest error, shall constitute prima facie evidence of the accuracy of the calculation. Furthermore, the Funding Agent with respect to each CP Conduit Purchaser Group will maintain records sufficient to identify the percentage interest of the related CP Conduit Purchaser and the Group Bank with respect to such CP Conduit Purchaser Group holding an interest in the Series 2017-1 Senior Note registered in the name of such Funding Agent and any amounts owing thereunder.

(b) Upon receipt of funds on each Payment Date and the date of any Decrease, each Funding Agent shall pay such funds to the related CP Conduit Purchaser and/or the related Group Bank owed such funds. If a Funding Agent shall have paid to any CP Conduit Purchaser or Group Bank any funds that (i) must be returned for any reason (including bankruptcy); or (ii) exceeds that which such CP Conduit Purchaser or Group Bank was entitled to receive, such amount shall be promptly repaid to such Funding Agent by such CP Conduit Purchaser or Group Bank.

3.10 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (collectively, "**Taxes**"), excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other taxes based on or measured by the net income of the Purchaser (but specifically excluding any taxes required to be withheld under Section 1446 of the *Internal Revenue Code* of 1986 (as amended, the "**Code**")) as a result of a present or former connection between the recipient and the jurisdiction of the governmental authority imposing such tax (other

than any such connection arising solely from the recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); and (ii) any Taxes imposed under FATCA (as defined below) (including in the case of (i) and (ii), any interest, penalties and additions to tax) (all such excluded taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a recipient hereunder, the amounts so payable to the recipient shall be increased, and the recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Where the amount payable by the Issuer is increased in accordance with the previous sentence, the Monthly Interest and Fees shall be increased by the amount of such increase. Whenever any Taxes are payable on or with respect to amounts distributed to a recipient, as promptly as possible thereafter the Issuer shall send to such recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to U.S. federal withholding Tax imposed by provisions of Chapter 4 of the Code ("**FATCA**") if the recipient of such payment were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with their obligations under FATCA and to determine that such recipient has complied with it's obligations under FATCA or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a recipient expires or becomes obsolete or inaccurate in any respect, the recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 3.10(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

3.11 Increased Costs

(a) (i) If any Regulatory Change (x) subjects any Non-Conduit Purchaser, CP Conduit Purchaser, Group Bank Purchaser or any Program Support Party (an "**Affected Person**") to any charge or withholding on or with respect to any Support Facility or this Supplemental Indenture or an Affected Person's obligations under a Support Facility or this Supplemental Indenture, or changes the basis of taxation of payments to any Affected Person of any amounts payable under any Support Facility or this Supplemental Indenture Agreement (except for changes in the rate of tax on the overall net income of an Affected Person or Excluded Taxes) or (y) imposes, modifies or deems applicable any reserve, assessment, fee, tax, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or liabilities of an Affected

Person, or credit extended by an Affected Person pursuant to a Support Facility or this Supplemental Indenture or (z) imposes any other condition the result of which is to increase the cost to an Affected Person of performing its obligations under a Support Facility or this Supplemental Indenture, or to reduce the rate of return on an Affected Person's capital or assets as a consequence of its obligations under a Support Facility or this Supplemental Indenture, or to reduce the amount of any sum received or receivable by an Affected Person under a Support Facility or this Supplemental Indenture, or to require any payment calculated by reference to the amount of interests or loans held or interest received by it, then, upon written request by such Affected Party (through the Funding Agent for its Purchaser Group if the Affected Party is a Program Support Provider, CP Conduit Purchaser or Group Bank) of a written request therefore to the Issuer, such Affected Party (through the Funding Agent for its Purchaser Group if the Affected Party is a Program Support Provider, CP Conduit Purchaser or Group Bank) shall be entitled to be paid, such amounts charged to such Affected Party or such amounts to otherwise compensate such Affected for such increased cost or such reduction, no later than the Payment Date following receipt by the Issuer of such request for compensation under this Section 3.11(a)(i), if such request is received by the Issuer no later than five (5) Business Days prior to the end of the Billing Period related to such Payment Date, and otherwise on the following Payment Date.

(ii) The Issuer acknowledges that any Affected Party may implement, as an internal institutional matter, measures in anticipation of a final or proposed Regulatory Change (including, without limitation, the imposition of internal charges on such Affected Party's interest or obligations under any Support Agreement or this Supplemental Indenture) and may commence recognizing the incurrence of charges by and seeking compensation under Section 3.11(a)(i) in connection with such measures, in advance of the effective date of such final or proposed Regulatory Change, and the Issuer agrees that such charges or compensation shall be payable, to the related Funding Agent, for the benefit of Affected Party, following demand therefor without regard to whether such proposed Regulatory Change has been adopted or whether such effective date has occurred; provided, that (I) the Affected Party shall provide sixty (60) days prior written notice to the Issuer of its intent to impose or incur any such charges or compensation, (II) an Affected Party shall not be compensated for any such amount pursuant to this subsection 3.11(a)(ii) relating to any period ending, and of which such Affected Party has had knowledge, more than ninety (90) days prior to the date that such Affected Party provided the Issuer with the written notice contemplated by the preceding clause (I) of this subsection 3.11(a)(ii), (III) if, after the payment by the Trust of any charges or compensation pursuant to this subsection 3.11(a)(ii), either (A) the Issuer requests in writing that the applicable Affected Party recompute any such charge or compensation in light of differences between a proposed Regulatory Change and the final effective version thereof or (B) the applicable Affected Party determines that the amount of the charge imposed on and required to be compensated by the Issuer exceeds the amount necessary to compensate it for the applicable Regulatory Change as contemplated by subsection 3.11(a)(i), then (x) the amount of such charge or compensation shall, from and after such determination, be reduced by the amount of such excess and (y) such Affected Party shall, within thirty (30) days of such determination, either repay the amount of such excess or credit the amount of such excess against future charges under this subsection 3.11(a)(ii). The Issuer further acknowledges that any charge or compensation demanded hereunder may take the form of a monthly charge to be assessed by such Affected Party.

(b) Each Affected Party claiming increased amounts described in subsection 3.11(a) of this Supplemental Indenture will furnish to the Issuer (together with its request for compensation) a certificate prepared in good faith setting forth the basis and the calculation of the amount (in reasonable detail) of each request by such Affected Party for any such increased amounts referred to in subsection 3.11(a) hereof. Any such certificate shall be conclusive absent manifest error. Failure on the part of any Affected Party to demand compensation for any amount pursuant to subsection 3.11(a) hereof with respect to any period shall not constitute a waiver of such Affected Party's right to demand compensation with respect to such period.

ARTICLE 4
CONDITIONS PRECEDENT

4.1 Conditions Precedent to Initial Purchase of Series 2017-1 Senior Notes

On or prior to the initial purchase of Series 2017-1 Senior Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The Administrative Agent and each of the Funding Agents shall have received:

(i) executed copies of the Fee Letter, this Supplemental Indenture, the Manager Indemnity and copies of each of the other Program Agreements certified by an Authorized Officer of the Manager;

(ii) evidence that each of the Issuer Trustee, the IESO and the Manager is validly existing pursuant to the laws of the jurisdiction of their respective establishment or incorporation;

(iii) a copy of the incorporating documents and all amendments thereto and applicable by-laws of each of the Issuer Trustee, the IESO and the Manager certified by an Authorized Officer of the applicable entity;

(iv) a copy of the Declaration of Trust certified by an Authorized Officer of the Manager;

(v) copies of resolutions of the board of directors of the IESO and the Manager approving and authorizing the execution, delivery and performance of each Program Agreement they are party to, in each case certified by an Authorized Officer of the applicable entity;

(vi) incumbency certificates for each of the Issuer Trustee, the Manager and the IESO executing this Supplemental Indenture and any other Program Agreements and the other documents to be delivered by either the Issuer Trustee, the Manager or the IESO thereunder, in each case showing their names, offices and specimen signatures on which certificates the Administrative Agent and the Purchaser Groups shall be entitled to conclusively rely until such time as the Administrative

Agent and the Funding Agents receive a replacement certificate meeting the requirements of this Section 4.1(b)(vi);

(vii) the following Opinions of Counsel:

(A) the opinion of external counsel to the Manager as to the non-consolidation of the Issuer with the Manager in the event of the insolvency of the Manager in form and substance satisfactory to the Administrative Agent and the Funding Agents;

(B) the opinion of external counsel to the IESO as to the Investment Asset acquired by the Issuer not being subject to the claims of creditors of the IESO in form and substance satisfactory to the Administrative Agent and the Funding Agents;

(C) favourable opinions of external counsel to the Manager covering general corporate matters, the due execution and delivery of, and the enforceability of, each of the Program Agreements to which the Manager, the Issuer and the Issuer Trustee are party which opinion, as to certain matters, may rely on opinion of internal counsel to the Manager and the Issuer Trustee; and

(D) a favourable opinion of external counsel to the Province with respect to the due authorization, execution, delivery and enforceability of the Provincial Protection and Assurances Agreement in form and substance satisfactory to the Administration Agent and the Funding Agents;

(viii) a certificate of an Authorized Officer of the Manager confirming that the representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 6.1 of this Supplemental Indenture are true and correct in all material respects, that the Issuer is in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party and that no Termination Event has occurred; and

(ix) such additional documents, instruments, certificates or letters as the Administrative Agent or any Funding Agent may reasonably request.

(c) The Series 2017-1 Cash Reserve Account shall have been established.

(d) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 6.1 of this Supplemental Indenture shall be true and correct in all material respects, the Issuer shall be compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party and no Termination Event shall have occurred.

(e) The Series 2017-1 Senior Notes shall have been duly issued in accordance with the Trust Indenture and each Funding Agent and Non-Conduit Purchaser shall have received its Series 2017-1 Senior Note registered in its name or a nominee in a face amount equal to its Maximum Purchaser Group Principal Amount.

(f) An amount equal to the Series 2017-1 Cash Reserve Required Amount shall have been deposited to the Series 2017-1 Cash Reserve Account.

(g) After giving effect to the purchase, the covenant of the Issuer in Section 7.1(d) will be satisfied.

(h) All fees payable on or before the Series 2017-1 Closing Date pursuant to the Fee Letter shall have been paid in full.

(i) The Rating Agency Condition shall have been satisfied in respect of the initial purchase.

4.2 Conditions Precedent to Each Increase under Series 2017-1 Senior Notes

On or prior to each Increase, the following conditions precedent shall be satisfied:

(a) the Administrative Agent shall have received an Increase Notice;

(b) no Termination Event shall have occurred or would occur after giving effect to such Increase;

(c) the Increase Date in respect of the Increase is prior to the Commitment Expiry Date;

(d) if the Increase is identified as a Transfer Increase in the Increase Notice, then the related Transfer under the Master Transfer and Servicing Agreement shall have been completed.

(e) after giving effect to the Increase, the covenant of the Issuer in Section 7.1(d) will be satisfied.

The Issuer's acceptance of funds in connection with each Increase occurring on any Increase Date shall constitute a representation and warranty by the Issuer to the Administrative Agent and the Purchaser Groups as of such Increase Date that all of the conditions contained in Section 3.3(a) and this Section 4.2 are satisfied.

ARTICLE 5
ESTABLISHMENT OF ACCOUNTS

5.1 Establishment of Series 2017-1 Cash Reserve Account

On or before the Series 2017-1 Closing Date, the Issuer shall cause to be established and maintained an Eligible Deposit Account (the "**Series 2017-1 Cash Reserve Account**") in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the Series 2017-1 Specified Creditors. The Series 2017-1 Cash Reserve Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the Series 2017-1 Specified Creditors. If, at any time, the institution holding the Series 2017-1 Cash Reserve Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 calendar days (or such longer period, not to exceed 45 calendar days, so long as the Rating Agency Condition is satisfied) establish a new Series 2017-1 Cash Reserve Account that is an Eligible Deposit Account and shall transfer any funds or other property from such

Series 2017-1 Cash Reserve Account to such new Series 2017-1 Cash Reserve Account. From the date each such new Series 2017-1 Cash Reserve Account is established, it shall be the "Series 2017-1 Cash Reserve Account." The Series 2017-1 Cash Reserve Account is a Finance Reserve Account for the purposes of the Trust Indenture.

5.2 Series Account

The Series 2017-1 Cash Reserve Account is established solely for the benefit of the Series 2017-1 Notes and the holders thereof.

5.3 Waterfall Deposits to Series 2017-1 Cash Reserve Account

On each Payment Date when distributions of collections are being made under Section 7.04(e) of the Trust Indenture, the Paying Agent shall deposit to the Series 2017-1 Cash Reserve Account an amount equal to the Cash Reserve Required Deposit Amount pursuant to Section 7.04(e)(iv) of the Trust Indenture.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Administrative Agent and the Purchaser Groups as of the Series 2017-1 Closing Date, and shall be deemed to represent and warrant to the Administrative Agent and the Purchaser Groups on each Increase Date, that:

(a) no Termination Event has occurred or would result from the initial purchase of the Issuer Investment Interest on the Series 2017-1 Closing Date or any increase in the Issuer Investment Interest on an Increase Date, as applicable;

(b) the Issuer Trustee and the Issuer are not non-residents of Canada within the meaning of the *Income Tax Act* (Canada);

(c) all tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name and the Declaration of Trust has neither been amended nor rescinded other than as consented to by the holders of the Series 2017-1 Senior Notes;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest;

(f) all information provided to the Administrative Agent and the Purchaser Groups by or on behalf of the Issuer in respect of the Issuer Investment Interest is and will be true and accurate in all material respects;

(g) there has been no material adverse change in the condition (financial or otherwise), business, operations, results of operations, or the property of the Issuer; and

(h) the Issuer does not own or hold, directly or indirectly, any shares or equity security of, or any equity interest in, any Person.

6.2 Representations and Warranties of the Purchasers

Each Purchaser represents and warrants to the Issuer as of the Series 2017-1 Closing Date, and shall be deemed to represent and warrant to the Issuer on each Increase Date, that:

(a) it is resident in Ontario or is otherwise subject to the securities legislation of the Province of Ontario;

(b) it is purchasing the applicable Series 2017-1 Senior Notes (i) as principal for its own account and not for the benefit of any other "person" (as defined in the *Securities Act* (Ontario)) or company; and (ii) for cash consideration in excess of $150,000; and

(c) it was not created and is not being used solely to purchase or hold securities in reliance on the exemption from the prospectus and dealer registration requirements contained in Section 2.10 of National Instrument 45-106 − Prospectus and Registration Exemptions.

6.3 Survival

The representations and warranties set out in this Article 4 shall survive the execution hereof.

ARTICLE 7
COVENANTS

7.1 Covenants of the Issuer

(a) The Issuer shall provide to the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser (in multiple copies if requested) as soon as possible, copies of all reports, notices, financial statements and other documents delivered by the IESO to the Issuer with respect to the Issuer Investment Interest or pursuant to the Master Transfer and Servicing Agreement.

(b) The Issuer shall provide to the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser (in multiple copies, if requested) such other information, documents, records or reports respecting the Issuer Investment Interest, the Issuer or the IESO which is in the possession or under the control of the Issuer or the Manager as the Administrative Agent, a Funding Agent or a Non-Conduit Purchaser may from time to time reasonably request.

(c) The Issuer shall furnish to the Administrative Agent, each Funding Agent and each Non-Conduit Purchaser promptly after known to the Issuer or the Manager, information with respect to any action, suit or proceeding involving the Manager, the Issuer or the IESO or any of their respective Affiliates by or before any court or any Governmental Authority which, if adversely determined, would have a material and adverse effect on such party or the transactions contemplated by, or such party's ability to perform its obligations under, this Supplemental Indenture or the other Program Agreements.

(d) The Issuer will, at all time, cause the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be not less than [**49**]% of the aggregate outstanding principal amount of all Issuer Funding Obligations.

(e) The Issuer will not make any amendments to the agreements governing any outstanding Subordinated Funding Obligations or Junior Subordinated Funding Obligations without the prior written consent of the Requisite Series 2017-1 Noteholders.

(f) The Issuer confirms that this Supplemental Indenture is a Warehouse Facility Agreement. The Issuer will not enter into any other Warehouse Facility Agreement creating Senior Funding Obligations without the prior written consent of the Requisite Series 2017-1 Noteholders unless the Commitment Expiry Date has occurred.

ARTICLE 8
AGENTS

8.1 Administrative Agent

(a) Each of the Non-Conduit Purchasers, CP Conduit Purchasers, the Group Banks and the Funding Agents hereby irrevocably designates and appoints the Administrative Agent as the agent of such Person under this Supplemental Indenture and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Supplemental Indenture and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Supplemental Indenture, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Supplemental Indenture, the Administrative Agent shall not have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any Non-Conduit Purchaser, any CP Conduit Purchaser, any Group Bank or any Funding Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Supplemental Indenture or otherwise exist against the Administrative Agent.

(b) The Administrative Agent may execute any of its duties under this Supplemental Indenture by or through agents or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(c) Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Trust Indenture, this Supplemental Indenture or any other Program Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks or the Funding Agents for any recitals, statements, representations or warranties made by the Issuer, the IESO, the Manager or any officer thereof contained in this Supplemental Indenture or any other Program Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this

Supplemental Indenture or any other Program Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Supplemental Indenture, any other Program Agreement, or for any failure of any of the Issuer, the Manager or the IESO to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Non-Conduit Purchaser, any CP Conduit Purchaser, any Group Bank or any Funding Agent to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Supplemental Indenture, any other Program Agreement or to inspect the properties, books or records of the Issuer, the Manager or the IESO.

(d) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter or telecopy message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Issuer, the Manager or the IESO), independent accountants and other experts selected by the Administrative Agent.

(e) The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Termination Event unless the Administrative Agent has received written notice from a Non-Conduit Purchaser, a CP Conduit Purchaser, a Group Bank, a Funding Agent, the Issuer or the Manager referring to the Trust Indenture or this Supplemental Indenture, describing such Termination Event and stating that such notice is a "notice of a Termination Event". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Non-Conduit Purchasers, the Funding Agents, the Issuer Trustee and the Manager.

(f) Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Issuer, the Manager or the IESO shall be deemed to constitute any representation or warranty by the Administrative Agent to any such Person. Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Non-Conduit Purchaser, CP Conduit Purchaser, Group Bank or Funding Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Issuer, the Manager and the IESO and made its own decision to enter into this Supplemental Indenture. Each of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents also represents that it will, independently and without reliance upon the Administrative Agent or any other Non-Conduit Purchaser, CP Conduit Purchaser, Group Bank or Funding Agent, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Supplemental Indenture and the other Program Agreements, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Issuer, the Manager and the IESO. Except for notices, reports and other documents expressly required to be furnished to the Non-Conduit Purchasers and the Funding Agents by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to

provide any Non-Conduit Purchaser, any CP Conduit Purchaser, any Group Bank or any Funding Agent with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Issuer, the Manager or the IESO which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys in fact or Affiliates.

(g) The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Issuer, the Manager and the IESO as though the Administrative Agent were not the Administrative Agent hereunder. With respect to any Series 2017-1 Senior Note held by the Administrative Agent, the Administrative Agent shall have the same rights and powers under this Supplemental Indenture and the other Program Agreements as any Group Bank or Funding Agent and may exercise the same as though it were not the Administrative Agent, and the terms "Group Bank," and "Funding Agent" shall include the Administrative Agent in its individual capacity.

(h) The Administrative Agent may resign as Administrative Agent at any time by giving 30 days' notice to the Non-Conduit Purchasers, the Funding Agents, the Indenture Trustee, the Issuer and the Manager. If ● shall resign as Administrative Agent under this Supplemental Indenture, then the Requisite Series 2017-1 Noteholders shall appoint a successor administrative agent from among the Non-Conduit Purchasers and Funding Agents, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Supplemental Indenture. If no successor administrative agent has accepted appointment as Administrative Agent prior to the effective date of the resignation of the Administrative Agent, the retiring Administrative Agent may appoint, after consulting with the Non-Conduit Purchasers and the Funding Agents, a successor Administrative Agent from among the Non-Conduit Purchasers and the Funding Agents. If no successor administrative agent has accepted appointment by the date which is thirty (30) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and Manager shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Requisite Series 2017-1 Noteholders appoint a successor administrative agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Supplemental Indenture.

8.2 Funding Agents

(a) Each CP Conduit Purchaser and each Group Bank with respect to such CP Conduit Purchaser hereby irrevocably designates and appoints the Funding Agent set forth next to such CP Conduit Purchaser's name on Schedule E as the agent of such Person under this Supplemental Indenture and irrevocably authorizes such Funding Agent, in such capacity, to take such action on its behalf under the provisions of this Supplemental Indenture and to exercise such powers and perform such duties as are expressly delegated to such Funding Agent by the terms of this Supplemental Indenture, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Supplemental Indenture, each Funding Agent shall not have any duties or responsibilities except those

expressly set forth herein, or any fiduciary relationship with any CP Conduit Purchaser or Group Bank and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Supplemental Indenture or otherwise exist against each Funding Agent.

(b) Each Funding Agent may execute any of its duties under this Supplemental Indenture by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Each Funding Agent shall not be responsible to the CP Conduit Purchaser or any Group Bank in its CP Conduit Purchaser Group for the negligence or misconduct of any agents or attorneys in fact selected by it with reasonable care.

(c) Each Funding Agent and any of its officers, directors, employees, agents, attorneys in fact or Affiliates shall not be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Trust Indenture, this Supplemental Indenture or any other Program Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the CP Conduit Purchasers and/or Group Banks for any recitals, statements, representations or warranties made by the Issuer, the Manager or the IESO, or any officer thereof contained in this Supplemental Indenture or any other Program Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by such Funding Agent under or in connection with, this Supplemental Indenture or any other Program Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Supplemental Indenture, any other Program Agreement, or for any failure of any of the Issuer, the Manager or the IESO to perform its obligations hereunder or thereunder. Each Funding Agent shall not be under any obligation to the CP Conduit Purchaser or any Group Bank in its CP Conduit Purchaser Group to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Supplemental Indenture, any other Program Agreement or to inspect the properties, books or records of the Issuer, the Manager or the IESO.

(d) Each Funding Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter or telecopy message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Issuer, the Manager or the IESO), independent accountants and other experts selected by such Funding Agent. Each Funding Agent shall be fully justified in failing or refusing to take any action under this Supplemental Indenture or any other Program Agreement unless it shall first receive such advice or concurrence of the Related Purchaser Group, as it deems appropriate or it shall first be indemnified to its satisfaction by the Related Purchaser Group against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

(e) Each Funding Agent shall not be deemed to have knowledge or notice of the occurrence of any Termination Event unless such Funding Agent has received written notice from a Non-Conduit Purchaser, a CP Conduit Purchaser, a Group Bank, the Issuer, the Manager or the Administrative Agent referring to the Trust Indenture or this Supplemental Indenture, describing such Termination Event and stating that such notice is a "notice of a Termination Event," as the case may be. In the event that any Funding Agent receives such a notice, such Funding Agent shall give notice thereof to the CP Conduit Purchaser and Group Bank in its CP Conduit Purchaser Group. Such Funding Agent shall take such action with respect to such event as shall

be reasonably directed by the CP Conduit Purchaser and Group Bank in its CP Conduit Purchaser Group, provided that unless and until such Funding Agent shall have received such directions, such Funding Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such event as it shall deem advisable in the best interests of the CP Conduit Purchaser and Group Bank in its CP Conduit Purchaser Group.

(f) Each CP Conduit Purchaser and each of the related Group Banks expressly acknowledge that neither its Funding Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates has made any representations or warranties to it and that no act by such Funding Agent hereinafter taken, including any review of the affairs of the Issuer, the Manager or the IESO shall be deemed to constitute any representation or warranty by such Funding Agent to any such Person. Each CP Conduit Purchaser and each of the related Group Banks represents to its Funding Agent that it has, independently and without reliance upon such Funding Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Issuer, the Manager and the IESO and made its own decision to enter into this Supplemental Indenture. Each CP Conduit Purchaser and each of the related Group Banks also represents that it will, independently and without reliance upon its Funding Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Supplemental Indenture and the other Program Agreements, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other conditions and creditworthiness of the Issuer, the Manager and the IESO.

(g) Each Group Bank in a CP Conduit Purchaser Group agrees to indemnify its Funding Agent in its capacity as such (to the extent not reimbursed by the Issuer and without limiting the obligation of the Issuer to do so), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time be imposed on, incurred by or asserted against such Funding Agent in any way relating to or arising out of this Supplemental Indenture, any of the other Program Agreements or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Funding Agent under or in connection with any of the foregoing; provided that no Group Bank shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such related Funding Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of all amounts payable hereunder.

ARTICLE 9
GENERAL

9.1 Successor and Assigns

(a) This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that (i) the Issuer may not assign or transfer any of its rights under this Supplemental Indenture without the prior written consent of all of the Series 2017-1 Noteholders; (ii) no Non-Conduit Purchaser may assign or transfer any of its rights under this Supplemental Indenture other than pursuant to paragraph (e) or (f) below;

(iii) no CP Conduit Purchaser may assign or transfer any of its rights under this Supplemental Indenture other than to the Group Bank with respect to such CP Conduit Purchaser or a Program Support Provider with respect to such CP Conduit Purchaser or pursuant to clause (b) or (e) below of this Section 9.1; and (iv) no Group Bank may assign or transfer any of its rights or obligations under this Supplemental Indenture except to a Program Support Provider or pursuant to clause (c), (d) or (e) below of this Section 9.1.

(b) Without limiting the foregoing, each CP Conduit Purchaser may assign all or a portion of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser and its rights and obligations under this Supplemental Indenture to a Conduit Assignee with respect to such CP Conduit Purchaser. Prior to or concurrently with the effectiveness of any such assignment (or if impracticable, immediately thereafter), the assigning CP Conduit Purchaser shall notify the Administrative Agent and the Issuer. Upon such assignment by a CP Conduit Purchaser to a Conduit Assignee, (i) such Conduit Assignee shall be the owner of the Purchaser Group Principal Amount or such portion thereof with respect to such CP Conduit Purchaser; (ii) the related administrative or managing agent for such Conduit Assignee will act as the administrative agent for such Conduit Assignee hereunder, with all corresponding rights and powers, express or implied, granted to the Funding Agent hereunder; (iii) such Conduit Assignee and its liquidity support provider(s) and credit support provider(s) and other related parties shall have the benefit of all the rights and protections provided to such CP Conduit Purchaser herein (including, without limitation, any limitation on recourse against such Conduit Assignee as provided in this paragraph); (iv) such Conduit Assignee shall assume all of such CP Conduit Purchaser's obligations, if any, hereunder with respect to such portion of the Purchaser Group Principal Amount and such CP Conduit Purchaser shall be released from such obligations; (v) all distributions in respect of the Purchaser Group Principal Amount or such portion thereof with respect to such CP Conduit Purchaser shall be made to the applicable agent or administrative agent, as applicable, on behalf of such Conduit Assignee; and (vi) if requested by the Administrative Agent or the agent or administrative agent with respect to the Conduit Assignee, the parties will execute and deliver such further agreements and documents and take such other actions as the Administrative Agent or such agent or administrative agent may reasonably request to evidence and give effect to the foregoing. No assignment by any CP Conduit Purchaser to a Conduit Assignee of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser shall in any way diminish the obligations of the Group Bank with respect to such CP Conduit Purchaser under Section 3.3 to fund any Increase.

(c) Any Group Bank may, in the ordinary course of its business and in accordance with applicable law, at any time sell all or any part of its rights and obligations under this Supplemental Indenture and the Series 2017-1 Senior Notes, with the prior written consent of the Administrative Agent and the Issuer (in each case, which consent shall not be unreasonably withheld), to one or more banks (an "**Acquiring Group Bank**") pursuant to a transfer supplement, substantially in the form of Exhibit H (the "**Transfer Supplement**"), executed by such Acquiring Group Bank, such assigning Group Bank, the Funding Agent with respect to such Group Bank, the Administrative Agent and the Issuer and delivered to the Administrative Agent. Notwithstanding the foregoing, no Group Bank shall so sell its rights hereunder if such Acquiring Group Bank is not an Eligible Assignee.

(d) Any Group Bank may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more financial institutions or other entities ("**Group**

Bank Participants") participations in its Commitment Amount with respect to its related CP Conduit Purchaser Group, its Series 2017-1 Senior Note and its rights hereunder pursuant to documentation in form and substance satisfactory to such Group Bank and the Group Bank Participant; provided, however, that (i) in the event of any such sale by a Group Bank to a Group Bank Participant, (A) such Group Bank's obligations under this Supplemental Indenture shall remain unchanged, (B) such Group Bank shall remain solely responsible for the performance thereof, and (C) the Issuer and the Administrative Agent shall continue to deal solely and directly with such Group Bank in connection with its rights and obligations under this Supplemental Indenture; and (ii) no Group Bank shall sell any participating interest under which the Group Bank Participant shall have rights to approve any amendment to, or any consent or waiver with respect to, this Supplemental Indenture, the Trust Indenture or any Program Agreement, except to the extent that the approval of such amendment, consent or waiver otherwise would require the unanimous consent of all Group Banks hereunder. A Group Bank Participant shall have the right to receive compensation pursuant to Section 3.11 but only to the extent that the related selling Group Bank would have had such right absent the sale of the related participation and, with respect to amounts due pursuant to Section 3.11, only to the extent such Group Bank Participant shall have complied with the provisions of Section 3.11 as if such Group Bank Participant were a Group Bank.

(e) Any CP Conduit Purchaser and the Group Bank with respect to such CP Conduit Purchaser may at any time sell all or any part of their respective rights and obligations, and any Non-Conduit Purchaser may at any time sell all or any part of its rights and obligations, under this Supplemental Indenture and the Series 2017-1 Senior Notes, with the prior written consent of the Administrative Agent and the Issuer (in each case, which consent shall not be unreasonably withheld), (x) to a multi-seller commercial paper conduit and one or more banks providing support to such multi-seller commercial paper conduit, or (y) to a financial institution or other entity (an "**Acquiring Purchaser Group**") pursuant to a transfer supplement, substantially in the form of Exhibit I (the "**Purchaser Group Supplement**"), executed by such Acquiring Purchaser Group (including the CP Conduit Purchaser and the Group Banks, if any, with respect to such Acquiring Purchaser Group), the Funding Agent, if any, with respect to such Acquiring Purchaser Group, such assigning Purchaser Group (including the Group Banks, if any, with respect to such assigning Purchaser Group), the Funding Agent, if any, with respect to such assigning Purchaser Group and the Administrative Agent and the Issuer and delivered to the Administrative Agent.

(f) Any Non-Conduit Purchaser may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more financial institutions or other entities ("**Non-Conduit Purchaser Participants**") participations in its Commitment, its Series 2017-1 Senior Note and its rights hereunder pursuant to documentation in form and substance satisfactory to such Non-Conduit Purchaser and the Non-Conduit Purchaser Participant; provided, however, that (i) in the event of any such sale by a Non-Conduit Purchaser to a Non-Conduit Purchaser Participant, (A) such Non-Conduit Purchaser's obligations under this Supplemental Indenture shall remain unchanged, (B) such Non-Conduit Purchaser shall remain solely responsible for the performance thereof, and (C) the Issuer and the Administrative Agent shall continue to deal solely and directly with such Non-Conduit Purchaser in connection with its rights and obligations under this Supplemental Indenture; and (ii) no Non-Conduit Purchaser shall sell any participating interest under which the Non-Conduit Purchaser Participant shall have rights to approve any amendment to, or any consent or waiver with respect to, this Supplemental

Indenture, the Trust Indenture or any Program Agreement, except to the extent that the approval of such amendment, consent or waiver otherwise would require the unanimous consent of all Series 2017-1 Noteholders hereunder. A Non-Conduit Purchaser Participant shall have the right to receive compensation under Section 3.11 but only to the extent that the related selling Non-Conduit Purchaser would have had such right absent the sale of the related participation and, with respect to amounts due pursuant to Section 3.11, only to the extent such Non-Conduit Purchaser Participant shall have complied with the provisions of Section 3.11 as if such Non-Conduit Purchaser Participant were a Non-Conduit Purchaser.

(g) The Issuer authorizes each Group Bank and Non-Conduit Purchaser to disclose to any Group Bank Participant, Acquiring Group Bank, Non-Conduit Purchaser Participant or Acquiring Purchaser Group (each, a "**Transferee**") and any prospective Transferee any and all financial information in such Group Bank's or Non-Conduit Purchaser's possession concerning the Issuer, the Issuer Investment Asset and the Program Agreements which has been delivered to such Group Bank by the Issuer or the Manager in connection with such Group Bank's credit evaluation of the Issuer and the Issuer Investment Asset.

(h) Notwithstanding any other provision of this Supplemental Indenture to the contrary, any Non-Conduit Purchaser, any Group Bank or any Program Support Provider may at any time pledge or grant a security interest in all or any portion of its rights under its Series 2017-1 Senior Note and this Supplemental Indenture to secure obligations of such Non-Conduit Purchaser, such Group Bank or such Program Support Provider to a Federal Reserve Bank or the Bank of Canada, without notice to or consent of the Administrative Agent, the Issuer or the Administrator; provided that no such pledge or grant of a security interest shall release a Non-Conduit Purchaser or an Group Bank from any of its obligations hereunder or substitute any such pledgee or grantee for such Non-Conduit Purchaser or such Group Bank as a party hereto.

9.2 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture which shall be applicable to this Supplemental Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2017-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2017-1 Noteholders.

9.3 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given (a) in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 16 of the Trust Indenture; and (b) in the case of the Administrative Agent, the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group Banks and the Funding Agents, in writing, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand or three days after being deposited in the mail, postage prepaid, in the case of facsimile notice, when received, or in the case of overnight air courier, one Business Day after the date such notice is delivered to such overnight courier, addressed as follows in the case of the Administrative Agent and to the addresses therefor set forth in Schedule E, in the case of the Non-Conduit Purchasers, the CP Conduit Purchasers, the Group

Banks and the Funding Agents; or to such other address as may be hereafter notified by the respective parties hereto:

Administrative Agent:

●

9.4 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

9.5 Entire Agreement

This Supplemental Indenture, the Fee Letter, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Fee Letter, the Trust Indenture and the other Program Agreements.

9.6 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

9.7 Acknowledgment of Trust Indenture and No Proceedings

The Administrative Agent, each Non-Conduit Purchaser, each CP Conduit Purchaser, each Group Bank and each Funding Agent hereby acknowledges and agrees in favour of the Indenture Trustee that it is a Specified Creditor under the Trust Indenture and its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.06 (Payments Held in Trust), Section 8.12 (Limitation on Suits), Sections 7.04 and 8.13 (Payment Priorities), Section 8.15 (Limited Recourse) and Section 17.01 (No Petition).

9.8 Expenses

The Issuer agrees to pay on demand (a) to the Indenture Trustee, the Administrative Agent and the Purchaser Groups all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture and the other documents to be delivered hereunder or in connection herewith, including, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent and the Purchaser Groups, with respect thereto, and the reasonable fees and out-of-pocket expenses incurred by the CP Conduit Purchasers in connection

with the review by each rating agency then rating the Commercial Paper of such CP Conduit Purchaser of the transactions contemplated by this Supplemental Indenture and the Program Agreements; (b) to the Indenture Trustee, the Administrative Agent and each Purchaser Group all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and the reasonable fees and out-of-pocket expenses incurred by the CP Conduit Purchasers in connection with the review by any rating agency then rating the Commercial Paper of such CP Conduit Purchasers; and (c) to the Indenture Trustee, the Administrative Agent and each Purchaser Group, on demand, all reasonable costs and expenses (including reasonable fees and expenses of counsel to the Administrative Agent and each Purchaser Group), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

9.9 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

9.10 Confidentiality

(a) Each Purchaser Group and the Administrative Agent covenants and agrees that any Nonpublic Information (as defined herein) obtained by it pursuant to this Supplemental Indenture and the other Program Agreements shall be held in confidence except that the Purchaser Groups or Administrative Agent may disclose such information (i) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding (whether or not having the force or effect of law) provided that, unless prohibited by applicable law, a Purchaser Group or the Administrative Agent, as applicable, shall provide prompt notice of such order to the affected party; (ii) upon the request or demand of any regulatory authority having or claiming jurisdiction over any Purchaser Group or the Administrative Agent; (iii) as required by applicable law; (iv) to the extent that such information becomes publicly available other than by reason of improper disclosure by a Purchaser Group or the Administrative Agent; (v) to its affiliates, officers, directors, employees, legal counsel, independent auditors, accountants, advisors, investors, potential investors, commercial paper dealers, providers of surety, guaranty, credit or liquidity enhancement (including the directors, officers and accountants of such surety, guaranty, credit or liquidity enhancement provider), legal counsel of any of the foregoing and other experts or agents who need to know such information and are informed of the confidential nature of such information (provided that the Persons permitted to make such disclosures under clauses (i), (ii) and (iii) of this Section 9.10 shall also include credit or liquidity enhancers of a CP Conduit Purchaser); (vi) for purposes of establishing a "due diligence" defense; (vii) which was available to a Purchaser Group or the Administrative Agent on a non-confidential basis from a source other than the affected party, provided that such source was not to the knowledge of the Purchaser Group or the Administrative Agent, as applicable, bound by a confidentiality agreement with the affected party; (viii) has been independently acquired or developed by a Purchaser Group or the Administrative Agent without violating any of the Purchaser Group's or the Administrative Agent's obligations under this Supplemental Indenture; (ix) if such disclosure

has been approved in writing in advance by the Issuer or the Manager; or (x) regarding the existence of this Supplemental Indenture, but not the financial terms thereof.

(b) The Issuer covenants and agrees to hold in confidence, and not disclose to any Person, the terms of this Supplemental Indenture (including any fees payable in connection with this Supplemental Indenture or the identity of any CP Conduit Purchaser under this Supplemental Indenture), except as the applicable Purchaser Group may have consented to in writing prior to any proposed disclosure and except (i) it may also disclose such information (A) to its officers, employees, agents and legal advisors who are directly involved in the consideration of this Supplemental Indenture (and then only on a confidential basis), (B) as required by applicable law or compulsory legal process, and (C) as expressly permitted by the terms of the Program Agreements; provided, that, in the case of clause (B), the Issuer will use all reasonable efforts to maintain confidentiality and will (unless otherwise prohibited by law) notify the affected Administrative Agent or Purchaser Group of its intention to make any such disclosure prior to making such disclosure; and (ii) it may also disclose the existence (but not the financial terms) of this Supplemental Indenture, including to any actual or prospective purchaser of other Notes.

9.11 Acknowledgement and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in this Supplemental Indenture or in any other Program Agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under this Supplemental Indenture or any other Program Agreement, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments or ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Supplemental Indenture or any other Facility Agreement; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

9.12 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that ● Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in

connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 9.12, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 9.12 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2017-1 Senior Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

9.13 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

9.14 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Trust Indenture as of the date first above written.

● **TRUST**, by ● **TRUST COMPANY OF CANADA**, as Issuer Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

● **TRUST COMPANY OF CANADA**, as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

●,

By: _____
Name:
Title:

[NTD: Detailed signing pages to be prepared.]

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means the outstanding Dollar Principal Amount of all Funding Obligations of the Series 2017-1 Senior Notes have been declared or automatically become due and payable pursuant to Section 8.02 of the Trust Indenture.

"**Administrative Agent**" shall have the meaning specified in the preamble to this Supplemental Indenture.

"**Affected Party**" means any Non-Conduit Purchaser, CP Conduit Purchaser and any Program Support Provider with respect to any CP Conduit Purchaser.

"**Applicable Margin**" is defined in the Fee Letter.

"**Bail-In Action**" shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"**Bail-In Legislation**" shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"**Basel II**" means the revised Basel Accord prepared by the Basel Committee on Banking Supervision as set out in the publication entitled "International Convergence of Capital Measurements and Capital Standards: a Revised Framework," as updated from time to time, and any rules, regulations, guidance, requests, interpretations or directives from any Official Body relating thereto (whether or not having the force of law).

"**Basel III**" means the revised Basel Accord prepared by the Basel Committee on Banking Supervision as set out in the publication entitled "A Global Regulatory Framework for More Resilient Banks and Banking Systems" developed by the Basel Committee on Banking Supervision, initially published in December 2010, as updated from time to time, and any rules, regulations, guidance, requests, interpretations or directives from any Official Body relating thereto (whether or not having the force of law).

"**Cash Reserve Required Deposit Amount**" means, on any day, the amount by which the balance on deposit in the Series 2017-1 Cash Reserve Account is less than the Series 2017-1 Cash Reserve Required Amount.

"**CDOR**" means, on any day, an annual rate of interest equal to the average rate applicable to Canadian dollar bankers' acceptances for a 1 month period appearing on the "Reuters Screen CDOR Page" (as defined in the International Swaps and Derivatives Association, Inc. 2000 definitions, as modified and amended from time to time) at approximately 10:00 a.m. on such day, or if such day is not a Business Day, then on the immediately preceding Business Day, provided that if such rate does not appear on the Reuters Screen CDOR Page on such day as contemplated, then CDOR on such day shall be calculated as the average of the rates for such

period applicable to Canadian dollar bankers' acceptances quoted by the banks listed in Schedule I of the *Bank Act* (Canada) as of 10:00 a.m. on such day or, if such day is not a Business Day, then on the immediately preceding Business Day.

"**CEA Decrease**" is defined in Section 3.4(a).

"**Code**" is defined in Section 3.10(a).

"**Commercial Paper**" means, with respect to any CP Conduit Purchaser, the promissory notes issued by, or for the benefit of, such CP Conduit Purchaser in the commercial paper market.

"**Commitment**" means, with respect to (a) the Group Bank included in any CP Conduit Purchaser Group, the obligation of such Group Bank to purchase a Series 2017-1 Senior Note on the Series 2017-1 Closing Date and, thereafter, to maintain and, subject to certain conditions, increase the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group, in each case, in an amount up to the Maximum Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group; or (b) any Non-Conduit Purchaser Group, the obligation of the Related Non-Conduit Purchaser to purchase a Series 2017-1 Senior Note on the Series 2017-1 Closing Date and, thereafter, to maintain and, subject to certain conditions, increase the Purchaser Group Principal Amount with respect to such Non-Conduit Purchaser Group, in each case, in an amount up to the Maximum Purchaser Group Principal Amount with respect to such Non-Conduit Purchaser Group.

"**Commitment Expiry Date**" means the earlier of (a) the Scheduled Commitment Expiry Date; and (b) the date on which an Event of Default shall have been declared or automatically occurred.

"**Commitment Fee**" is defined in Section 3.6(b).

"**Commitment Fee Rate**" is defined in the Fee Letter.

"**Commitment Percentage**" means, on any date of determination, with respect to any Purchaser Group, the ratio, expressed as a percentage, which such Purchaser Group's Maximum Purchaser Group Principal Amount bears to the Series 2017-1 Maximum Principal Amount on such date.

"**Conduit Assignee**" means, with respect to any CP Conduit Purchaser, any commercial paper conduit administered by the Funding Agent with respect to such CP Conduit Purchaser and designated by such Funding Agent to accept an assignment from such CP Conduit Purchaser of the Purchaser Group Principal Amount or a portion thereof with respect to such CP Conduit Purchaser pursuant to Section 9.1(b).

"**CP Conduit Funded Amount**" means, with respect to any CP Conduit Purchaser Group for any day, the portion of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group funded by the CP Conduit Purchaser in respect of such CP Conduit Purchaser Group.

"**CP Conduit Purchaser**" means each commercial paper conduit listed on Schedule E or party to a Purchaser Group Supplement pursuant to which such commercial paper conduit became a party to this Supplemental Indenture

"**CP Conduit Purchaser Group**" means, collectively, a CP Conduit Purchaser and the Group Bank with respect to such CP Conduit Purchaser.

"**CP Conduit Rating Agencies**" means, with respect to any CP Conduit Purchaser, each of DBRS and Moody's and any other nationally recognized statistical rating organization which may, from time to time, rate the Commercial Paper of the CP Conduit Purchaser at the request of the CP Conduit Purchaser.

"**CP Rate**" means with respect to any CP Conduit Purchaser for any day during a Billing Period, the weighted average annual rate of interest applicable to all Commercial Paper of the CP Conduit Purchaser; and provided further that (x) any such Commercial Paper may be issued in either United States dollars or Canadian dollars with the appropriate market rate currency swap agreements being entered into to match such issuance to the funding requirements of such CP Conduit Purchaser, and (y) such weighted average annual rate of interest shall be calculated to reflect any costs incurred by such Purchaser in connection with such swap transactions or in connection with any redemption or repurchase transaction between such Purchaser and the holders of such commercial paper; provided that no amount shall be included in the calculation of the CP Rate which reflects any termination amounts payable by such CP Conduit Purchaser in respect of the early termination of any market rate currency swap referred to in this definition.

"**Decrease**" is defined in Section 3.4(a).

"**Decrease Amount**" is defined in Section 3.4(a).

"**Deferrable Increase Notice**" means a notice of Increase that provides that a Delayed Funding Notice may be provided by any Purchaser Group with respect to such Increase in accordance with Section 3.3(e).

"**Delayed Amount**" is defined in Section 3.3(e).

"**Delayed Funding Date**" is defined in Section 3.3(e).

"**Delayed Funding Notice**" is defined in Section 3.3(e).

"**Delayed Funding Purchaser Group**" is defined in Section 3.3(e).

"**Delayed Funding Reimbursement Amount**" means, with respect to any Delayed Amount of a Delayed Funding Purchaser Group funded by Non-Delayed Funding Purchaser Groups on an Increase Date, an amount equal to the excess, if any, of (a) such Delayed Amount; over (b) the amount, if any, by which the portion of any principal payment made by the Issuer to such Non-Delayed Funding Purchaser Group pursuant to Section 3.7 on any date during the period from and including such Increase Date to but excluding the Delayed Funding Date for such Delayed Amount, was greater than what it would have been had such Delayed Amount been funded by such Delayed Funding Purchaser Group on such Increase Date.

"**EEA Financial Institution**" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority; (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition; or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" shall mean any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"**EEA Resolution Authority**" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Eligible Assignee**" means a financial institution having short-term debt ratings of at least "A-1" from Standard & Poor's and "P-1" from Moody's.

"**EU Bail-In Legislation Schedule**" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"**Excluded Taxes**" shall have the meaning specified in Section 3.10(a) of this Supplemental Indenture.

"**Fee Letter**" means the letter dated the date hereof, from the Issuer addressed to the Administrative Agent, each Non-Conduit Purchaser and each of the CP Conduit Purchasers, the Funding Agents and the Group Banks, setting forth certain fees payable from time to time to the Purchaser Groups, as such letter may be amended or replaced from time to time.

"**Funding Agent**" means, with respect to each CP Conduit Purchaser and its CP Conduit Purchaser Group, the agent bank set forth opposite the name of such CP Conduit Purchaser on Schedule E or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser became a party to this Supplemental Indenture.

"**Group Bank**" means, with respect to a CP Conduit Purchaser, the bank or other Person set forth opposite the name of such CP Conduit Purchaser on Schedule E or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser became a party to this Supplemental Indenture and any assignee thereof, to the extent such assignee has assumed all or a portion of the Commitments of the Group Bank pursuant to a Transfer Supplement entered into in accordance with Section 9.1(c).

"**Group Bank Funded Amount**" means, with respect to any CP Conduit Purchaser Group for any day, the excess, if any, of the Purchaser Group Principal Amount with respect to such CP Conduit Purchaser Group over the CP Conduit Funded Amount with respect to such CP Conduit Purchaser Group for such day.

"**Group Bank Participants**" is defined in Section 9.1(d).

"**Increase**" is defined in Section 3.3(a).

"**Increase Amount**" is defined in Section 3.3(a).

"**Increase Date**" is defined in Section 3.3(a).

"**Increase Notice**" is defined in Section 3.3(a).

"**Issuer indemnified person**" is defined in Section 3.8

"**Manager Indemnity**" means an indemnity agreement from the Manager in favour of the Purchaser Groups, the Funding Agents and the Administrative Agent with respect to losses resulting from the failure of the Issuer to perform its obligations under the Program Agreements other than losses resulting from insufficient funds being transferred to the Issuer, in form and substance satisfactory to the Purchaser Groups, the Funding Agents and the Administrative Agent.

"**Maximum Purchaser Group Principal Amount**" means, with respect to (a) any CP Conduit Purchaser Group, the amount set forth opposite the name of the CP Conduit Purchaser included in such CP Conduit Purchaser Group on Schedule E or in the Purchaser Group Supplement pursuant to which such CP Conduit Purchaser Group became a party to this Supplemental Indenture; or (b) any Non-Conduit Purchaser Group, the amount set forth opposite the name of such Non-Conduit Purchaser Group on Schedule E or in the Purchaser Group Supplement pursuant to which such Non-Conduit Purchaser Group became a party to this Supplemental Indenture, in each case, as such amount may be increased or reduced from time to time as provided in Section 3.5.

"**Monthly Interest**" means, with respect to each Billing Period and:

(a) any CP Conduit Purchaser Group, the sum of:

(i) for each day during such Billing Period, the product of (x) the portion of the CP Conduit Funded Amount with respect to the CP Conduit Purchaser Group on such day funded through the issuance of Commercial Paper outstanding on such day, times (y) the sum of the CP Rate for such day plus the Applicable Margin, divided by (z) 365; plus

(ii) for each day during such Billing Period, the product of (x) the portion of the CP Conduit Funded Amount with respect to the CP Conduit Purchaser in such GP Conduit Purchaser Group on such day not funded through the issuance of Commercial Paper outstanding on such day, times (y) the sum of CDOR for such day plus the Applicable Margin, divided by (z) 365; plus

(iii) for each day during such Billing Period the product of (x) the Group Bank Funded Amount with respect to such Purchaser Group on such day, times (y) the sum of CDOR for such day plus the Applicable Margin, divided by (x) 365.

(b) any Non-Conduit Purchaser Group, the sum for each day during such Billing Period of the product of (i) the Purchaser Group Principal Amount with respect to such Non-

Conduit Purchaser Group on such day; times (ii) the sum of CDOR for such day plus the Applicable Margin, divided by (iii) 365

"**Monthly Interest, Fees and Other Amounts**" shall mean, for any Payment Date, the aggregate for all Purchaser Groups of the sum of (a) Monthly Interest for the related Billing Period for each Purchaser Group; plus (b) the Commitment Fee with respect to the related Billing Period for each Purchaser Group; plus (c) any amounts payable pursuant to a Purchaser Group hereunder including, without limitation, pursuant to Sections 3.8, 3.10, 3.11 and 9.8, for each Purchaser Group; plus (d) the Monthly Interest Shortfall for such Payment Date for each Purchaser Group.

"**Monthly Interest Shortfall**" means, for any Payment Date and a Purchaser Group, if the amount of the Monthly Interest, Fees and Other Amounts for the preceding Payment Date was greater than the amount distributed to the payment of such amounts pursuant to Section 3.6(f), an amount equal to the Monthly Interest, Commitment Fees and other amounts owing to such Purchaser Group which were unpaid on the preceding Payment Date plus interest on such unpaid amount for the period from the preceding Payment Date to the current Payment Date at a rate equal to the Prime Rate plus ●% per annum.

"**Non-Conduit Purchaser**" means each financial institution or other entity (other than a commercial paper conduit, Group Bank or Funding Agent) listed on Schedule E or party to a Purchaser Group Supplement pursuant to which such financial institution or entity became a party to this Supplemental Indenture.

"**Non-Conduit Purchaser Group**" means a Non-Conduit Purchaser.

"**Non-Conduit Purchaser Participants**" is defined in Section 9.1(f).

"**Non-Deferrable Draw Amount**" means, with respect to any Purchaser Group as of any Increase Date, an amount equal to the lesser of (a) the excess, if any, of (x) **[10]**% of the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group over (y) the portion of any Increase Amounts funded by such Purchaser Group during the preceding thirty-five (35) days pursuant to a Non-Deferrable Increase Notice or, to the extent of any decrease pursuant to Section 3.3(e) in the Delayed Amount set forth in a Delayed Funding Notice delivered by such Purchaser Group, a Deferrable Increase Notice; and (b) the excess, if any, of (x) the Maximum Purchaser Group Principal Amount with respect to such Purchaser Group, over (y) the sum of (i) the Purchaser Group Principal Amount with respect to such Purchaser Group; and (ii) any unfunded Delayed Amounts with respect to such Purchaser Group, in each case as of such Increase Date. [**NTD: The percentage in (a)(x) above is intended to represent the non-deferrable amount.]**

"**Non-Deferrable Increase Notice**" means a notice of Increase that provides that a Delayed Funding Notice may not be provided by any Purchaser Group with respect to such Increase in accordance with Section 3.3(a).

"**Non-Delayed Funding Purchaser Group**" is defined in Section 3.3(f).

"**Optional Termination Date**" is defined in Section 3.4.

"**Optional Termination Notice**" is defined in Section 3.4.

["Other Taxes" means any and all current or future stamp or documentary taxes or other excise or property taxes, charges or similar levies arising from any payment made under this Supplemental Indenture, the Trust Indenture, or any other Program Agreement or from the execution, delivery or enforcement of, or otherwise with respect to, this Supplemental Indenture, the Trust Indenture or any other Program Agreement.]

"**Payment Date Waterfall Principal Amount**" means, in respect of the Series 2017-1 Notes:

(a) on any Payment Date that is a Decrease Date in respect of a CEA Decrease before the earlier of (i) the Series 2017-1 Principal Payment Due Date; and (ii) the occurrence of an Acceleration Event, the Decrease Amount of the CEA Decrease occurring on such Payment Date;

(b) on any Payment Date that is not a Decrease Date in respect of a CEA Decrease before the earlier of (i) the Series 2017-1 Principal Payment Due Date; and (ii) the occurrence of an Acceleration Event, nil; and

(c) on any Payment Date occurring on or after the earlier of (i) the Series 2017-1 Principal Payment Due Date; and (ii) the occurrence of an Acceleration Event, the Series 2017-1 Principal Amount.

"**Prime Rate**" means the annual rate of interest announced by ● from time to time as being its reference rate for the determination of interest rates on Canadian dollar denominated commercial loans made by it and commonly referred to by ● as its "prime rate."

["Privacy Laws" shall mean, collectively (a) *An Act Respecting the Protection of Personal Information in the Private Sector* (Quebec); (b) *Personal Information Protection and Electronic Documents Act* (Canada); (c) *Personal Information Protection Act* (British Columbia); and (d) such other similar statutes of Canada or any province in force from time to time and any principles of common or civil law applicable therein, which restrict, control, regulate or otherwise govern the collection, holding, use or communication of personal information.]

"**Pro Rata Share**" means, with respect to any Purchaser Group, on any date, the ratio, expressed as a percentage, which the Purchaser Group Principal Amount with respect to such Purchaser Group bears to the Series 2017-1 Principal Amount on such date.

"**Program Support Provider**" means, with respect to any CP Conduit Purchaser, the Group Bank with respect to such CP Conduit Purchaser and any other or additional Person now or hereafter extending credit, or having a commitment to extend credit to or for the account of, or to make purchases from, such CP Conduit Purchaser or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with such CP Conduit Purchaser's securitization program.

"**Purchaser Group**" means a CP Conduit Purchaser Group or a Non-Conduit Purchaser Group.

"**Purchaser Group Increase Amount**" means, with respect to any Purchaser Group, for any Business Day, such Purchaser Group's Commitment Percentage of the Increase Amount, if any, on such Business Day.

"**Purchaser Group Principal Amount**" means, with respect to any Purchaser Group, (a) when used with respect to the Series 2017-1 Closing Date, such Purchaser Group's Commitment Percentage of the Series 2017-1 Initial Principal Amount; and (b) when used with respect to any other date, an amount equal to (i) the Purchaser Group Principal Amount with respect to such Purchaser Group on the immediately preceding Business Day; plus (ii) the Purchaser Group Increase Amount with respect to such Purchaser Group on such date; minus (iii) the amount of principal payments made to such Purchaser Group pursuant to Section 3.7(c) on such date. For the avoidance of doubt, (x) so long as any Purchaser Group has failed to fund any portion of its Purchaser Group Increase Amount with respect to any Increase Date (including any Delayed Amount), such unfunded amount shall not be included in the Purchaser Group Principal Amount for such Purchaser Group unless and until such amount has been funded (including by Funding any Delayed Funding Reimbursement Amount, if applicable), and (y) any Delayed Amounts funded on an Increase Date by a Non-Delayed Funding Purchaser Group shall be included in the Purchaser Group Principal Amount for such Non-Delayed Funding Purchaser Group until the related Delayed Funding Reimbursement Amount has been funded.

"**Purchaser Group Supplement**" is defined in Section 9.1(e).

"**Rating Agency Condition**" means, with respect to any action in respect of the Series 2017-1 Senior Notes subject to such condition, each of the CP Conduit Purchasers shall deliver written notice of the proposed action to the CP Conduit Rating Agencies at least 10 Business Days prior to the effective date of such action (or if 10 Business Days prior notice is impractical, such advance notice as is practicable) and the CP Conduit Rating Agencies (i) shall not have informed any CP Conduit Purchaser prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Commercial Paper of the CP Conduit Purchaser immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, when it is a CP Conduit Rating Agency, DBRS shall have informed each of the CP Conduit Purchasers in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating of any Commercial Paper of such CP Conduit Purchasers immediately before the taking of such action. For purposes of the Trust Indenture, this Supplemental Indenture and the Master Transfer and Servicing Agreement, the Indenture Trustee shall receive, and shall be entitled to rely on, a certificate of a CP Conduit Purchaser confirming the satisfaction of the Rating Agency Condition.

"**Refinancing Decrease**" is defined in Section 3.4(a).

"**Refinancing Increase**" is defined in Section 3.3(a).

"**Regulatory Change**" shall mean (i) the adoption after the date hereof of any applicable law, rule or regulation (including any applicable law, rule or regulation regarding capital adequacy, deposits, reserves or liquidity coverage) or any change therein after the date hereof, (ii) any change after the date hereof in the interpretation, administration, scope or timing of implementation thereof by any governmental authority, central bank, self-regulating professional

body or comparable agency or authority charged with the interpretation or administration thereof, or compliance with any guidance, request or directive (whether or not having the force of law) of any such authority, central bank, self-regulating professional body or comparable agency or authority; provided that for purposes of this definition, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof, and (y) all requests, rules, guidelines and directives (whether or not having the force of law) promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or Canadian or United States or other foreign regulatory authorities, shall in each case be deemed to be a "Regulatory Change", regardless of the date enacted, adopted, issued or implemented.

"**Related Non-Conduit Purchaser**" means, with respect to any Non-Conduit Purchaser Group, the Non-Conduit Purchaser that constitutes such Non-Conduit Purchaser Group.

"**Related Purchaser Group**" means, with respect to (a) any Funding Agent, the CP Conduit Purchaser identified next to such Funding Agent on Schedule E and the Group Bank identified on Schedule I next to such CP Conduit Purchaser or the CP Conduit Purchaser and Group Bank party to the Purchaser Group Supplement pursuant to which such Funding Agent became a party to this Supplemental Indenture; (b) any CP Conduit Purchaser, the CP Conduit Purchaser Group of which such CP Conduit Purchaser is a member; and (c) any Non-Conduit Purchaser, the Non-Conduit Purchaser Group that such Non-Conduit Purchaser constitutes.

"**Requisite Series 2017-1 Noteholders**" means Purchaser Groups having Commitment Percentages aggregating more than 50% (or if all Commitments have terminated, Purchaser Groups whose aggregate Purchaser Group Principal Amounts exceed 50% of the Series 2017-1 Principal Amount).

"**Scheduled Commitment Expiry Date**" means, ●, as such date may be extended in accordance with Section 3.5(c). [**NTD: two years out.]**

"**Series 2017-1 Cash Reserve Account**" is defined in Section 5.1.

"**Series 2017-1 Cash Reserve Required Amount**" means ●.

"**Series 2017-1 Closing Date**" is defined in Section 3.3(a).

"**Series 2017-1 Initial Principal Amount**" is defined in Section 3.3(a).

"**Series 2017-1 Maximum Principal Amount**" means, on any date of determination, the sum of the Maximum Purchaser Group Principal Amounts with respect to each of the Purchaser Groups on such date.

"**Series 2017-1 Noteholder**" means a Person in whose name a Series 2017-1 Senior Note is registered in the Note Register.

"**Series 2017-1 Principal Amount**" means, on any date of determination, the sum of the Purchaser Group Principal Amounts with respect to each of the Purchaser Groups on such date.

"**Series 2017-1 Principal Payment Due Date**" means ●. [**NTD: the date upon which the Series 2017-1 Senior Notes become due and payable – a date after May 1, 2021?**]

"**Series 2017-1 Principal Payment Default Date**" means ●. [**NTD: the "cure period" number of days after the Series 2017-1 Principal Payment Due Date when an Event of Default will occur if the Series 2017-1 Senior Notes are not paid in full.]**

"**Series 2017-1 Senior Note**" means any one of the Series 2017-1 Variable Funding Senior Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Exhibit B.

"**Standard & Poor's**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"**Supplemental Indenture**" means this Amended and Restated Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Support Facility**" shall mean any liquidity or credit support agreement with a CP Conduit Purchaser which relates to, or is otherwise available to such CP Conduit Purchaser in relation to its funding activities under, this Supplemental Indenture.

"**Taxes**" is defined in Section 3.10(a).

"**Termination Event**" means any Event of Default or any event which with the giving of notice or the passage of time, or both, could become an Event of Default.

"**Transfer Increase**" is defined in Section 3.3(a).

"**Transfer Supplement**" is defined in Section 9.1(c).

"**Transferee**" is defined in Section 9.1(g).

"**Trust Indenture**" means the trust indenture dated as of ●, 2017 between the Issuer and the Indenture Trustee, as amended or restated from time to time.

"**Write-Down and Conversion Powers**" shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SCHEDULE B

[FORM OF NOTE]

SERIES 2017-1 SENIOR NOTE

●

SCHEDULE C

FORM OF INCREASE NOTICE

●

SCHEDULE D

FORM OF DECREASE NOTICE

●

SCHEDULE E

PURCHASER GROUPS

From: Hanslep, Malle (MOF)
To: Sarah Harris
Cc: Tobias P. Whitfield (MOF)
Subject: FW: Fair Hydro -- Change of Law Assumption Agreement
Date: Wednesday, October 25, 2017 2:43:14 PM
Attachments: 12917730-v1-Questions (Adherence Conditions).docx

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This will help with some background.

From: Whitfield, Tobias P. (MOF)
Sent: October 24, 2017 1:00 PM
To: Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Further to OPG's response to our proposals, please find attached a discussion document drafted by our outside legal counsel Stephen Ashbourne and based on discussions amongst our Provincial legal teams.

This document sets out a number of questions that we need to consider and answer in order to respond to OPG with the Province's position.

A meeting amongst this group would be useful to discuss these issues and to inform a response to OPG.

Best

Toby

Tobias Whitfield
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Ministry of Finance
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Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: October 18, 2017 9:53 AM
To: Whitfield, Tobias P. (MOF)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'; Mansoori, Nina
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby – further to discussions between OPG and the Province, please find attached comments on the draft proposal under the Change of Law Protection Agreement (blacklined to the draft circulated below). The attached reflects our comments from accounting, operational and financeability perspectives. In particular, the financeability of the program will turn on whether there is a clear and concise way for investors to determine that an incurrence of funding obligations will be covered under the Change of Law Protection Agreement and that, once confirmed, the confirmation is irrevocable. Accordingly, we have proposed in the attached that a simple confirmation from OPG to a third party binds the Province in respect of

the incurrence of the applicable funding obligations provided that OPG has satisfied the requirements of the approval process (which we propose be the subject of a separate procedures agreement or memo). Please note that the attached remains subject to the review of the working group including the dealers and the rating agencies.

Best Regards,

Nina

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: October-13-17 4:47 PM
To: Mansoori, Nina <nmansoori@torys.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; 'LADAK Lubna - TREASURY' <lubna.ladak@opg.com>
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Please find attached our comments on your response of October 6. We have moved the text of your email to the attached document and responded inline in square brackets for ease of review.

We recognize that we are running out of time, and that we should discuss and move this forward at the beginning of next week.

We also generally recognize that, although there are still some gaps in our respective approaches, we would find it helpful to have some more specific suggestions and comments on our Sept. 27 draft in order to help move this forward. This might include also the timing issues, with some indication of where, if OPG finds the timing does not work, some alternatives can be suggested for consideration.

Best

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: October 6, 2017 5:58 PM
To: Whitfield, Tobias P. (MOF)

Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,

Nina

Accounting Issues:

E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence

-that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt

-the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts)

-the negative pledge with respect to the exercise of certain options on the debt

-the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have. Please also advise if the Province's accountants have reviewed the proposal.

Practical Issues:

- The procedural steps to bind the Province are lengthy and complicated. From our perspective, as drafted, OPG will likely have to seek Provincial approval on each debt issuance (which weakens the accounting as discussed above). The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself. Setting aside the mechanics of how we get there, the dealers want comfort that

the incurrence of obligations by the financing entity will be covered by the Protection Agreement. We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met. The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.

- In addition to the accounting concerns, the level of detail and frequency of reporting required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.

Drafting Issues:

- Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.
- We'd like to understand the reason OPG's management fees have been excluded. We assume you do not intend for OPG's reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? Please advise why taxes are being excluded?
- There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.
- We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

Nina Mansoori
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From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: September-27-17 4:21 PM
To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Mansoori, Nina <nmansoori@torys.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona,

Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Rima,

Further to our earlier conversations, please find attached our proposed process for confirmation of application of the Protection Agreement.

We would be happy to discuss further when you have had a chance to review.

Best

Toby

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From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: September 25, 2017 12:21 PM
To: 'STEPHEN.ASHBOURNE@blakes.com'; Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Good morning all, just following up on our email below. Please let us know when we should expect your feedback.

Many thanks,

Rima

Rima Ramchandani
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From: Ramchandani, Rima
Sent: September-19-17 9:55 PM
To: 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Fair Hydro -- Change of Law Assumption Agreement

Steve, Malle and Toby, further to our meeting the other day, set out below for your review is a proposal on the Provincial approval process under the Change of Law Assumption Agreement. Once we have your feedback on this, we will need to share it with Osler and the accountants and as John mentioned, we are under some time pressure to bring this to a resolution prior to

the upcoming June 29 OPG Board meeting. We look forward to your comments, and feel free to reach out if you have any questions. -- Rima

Obligor Approval

The Change of Law Assumption Agreement will apply to all Specified Claims relating to Funding Obligations that are incurred by an Eligible Financing Entity in accordance with the Obligor's approval process. The definition of Specified Claims to be mutually agreed by all parties.

In order for a Financing Entity to become designated as an Eligible Financing Entity by the Obligor, prior to the initial issuance of Funding Obligations by such Financing Entity, the Obligor will be provided with copies of the following documents (collectively the "Program Documents") for review:

(i) the constating documents of such Financing Entity;

(ii) the management agreement between the Financing Entity and OPG;

(iii) the master transfer and servicing agreement between the Financing Entity and the IESO;

(iv) the master trust indenture governing the issuance of Funding Obligations by the Financing Entity;

(v) a form of supplemental indenture governing the issuance of bonds, issuable in series, by the Financing Entity;

(vi) a form of note purchase agreement or credit agreement governing the issuance of short term Funding Obligations by the Financing Entity;

(vii) a form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; and

(viii) such other documents as may be requested by the Obligor.

Once a Financing Entity is designated by the Obligor as an Eligible Financing Entity, it will not be necessary for the Obligor to approve the documentation related to specific issuances of Funding Obligations; however, OPG will be expected to notify the Obligor of any new material program documentation or any material amendments to existing program documentation before such new documentation or amendments become effective. The failure of OPG to provide any such notice will not invalidate the application of the Change of Law Assumption Agreement to any Specified Claims.

It will not be necessary for the Obligor to approve each new issuance of Funding Obligations provided that such Funding Obligations are issued in accordance with following:

(1) The Funding Obligations are issued in accordance with agreements that contain: (a) covenants of the Eligible Financing Entity that are no more onerous in any material respect and (b) events of default that are consistent in all material respects, respectively, with the covenants of the Eligible Financing Entity and events of default contained in the draft Program Documents.

(2) At least [30 days] prior to the initial issuance of Funding Obligations by an Eligible Financing Entity, OPG will provide the Obligor with a forecast of the principal amount and expected term of the Funding Obligations that OPG expects such Eligible Financing Entity to issue in accordance with the Financing Plan in the next two years (a "Two Year Forecast"). The

execution of the Change of Law Assumption Agreement in respect of such Eligible Financing Entity shall constitute the Obligor's approval of the issuance of Funding Obligations by such Eligible Financing Entity in accordance with the Two Year Forecast.
(3) OPG shall provide the Obligor with an updated Two Year Forecast between 9 and 12 months prior to the expiry of each current Two Year Forecast.
(4) Unless the Obligor provides OPG with a written notice no later than 3 months prior to the date following receipt of the current Two Year Forecast that the Change of Law Assumption Agreement will be inapplicable with respect to new Funding Obligations incurred following the expiry of the current Two Year Forecast, the Obligor will be deemed to approve the application of the Change of Law Assumption Agreement to all Funding Obligations incurred up to the expiry of the new Two Year Forecast.
At the time of issuance of Funding Obligations by an Eligible Financing Entity, the Financing Entity will provide (i) any required certifications to the underwriters/agents that such Funding Obligations are covered by the Change of Law Assumption Agreement; and (ii) notice to the Obligor of the material terms of the Funding Obligations issued, together with electronic copies of the final executed Program Documents.
P. 416.865.7666

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privileged or confidential. Any distribution, printing or other use by anyone else is prohibited. If you are not an intended recipient, please contact the sender immediately, and permanently delete this email and attachments.

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Confidential legal advice subject to solicitor-client privilege

October 23, 2017

Questions for MOE and OFA to consider regarding OPG's Proposed Adherence Terms

A. Scope of Province's Obligations under the Change of Law Protection Agreement (**CLPA**)

1. On a Protection Event, should the Province become responsible for the payment of taxes (if any) owing by the Financing Entity?

2. On a Protection Event, should the Province become liable to pay amounts owing by the Financing Entity to OPG (e.g., FSM fees and expenses)?

3. On a Protection Event, should all available funds (e.g., funds accumulated in sinking funds) be immediately applied to reduce the amount that the Province would be liable for under the CLPA?

4. Should the Province set a "Protection Agreement Maximum" (previously called the "Program Maximum") that measures and relates only to "principal amounts"? In other words, should the limitation be tied only to principal obligations, while the Province's actual obligations would automatically extend, without specific quantum limits, to the other payment obligations under "funding obligations" (e.g., interest, swaps, standby liquidity commitment fees, servicer fees and expenses)?

5. Is the Province comfortable guaranteeing contingent obligations (e.g., indemnity obligations) of the Financing Entity? If so, should the Province require that such contingent obligations be "capped" within the funding obligation itself or should the exposure of the Province be otherwise limited under the CLPA?

6. Should the Province be required to deposit funds to meet sinking fund or collateral deposits (i.e., deposit obligations incorporated in the financing structure on the basis that the "clean energy" cash flows will service the obligations, rather than the Province), notwithstanding that the Province would have become primarily liable for payment obligations under the CLPA?

B. Adhesion

7. Is the Province okay splitting the maximum exposure limitations and "process-related" matters (see below) into a separate agreement - away from the terms of the agreement under which the Province's payment obligations would bind the Province opposite the Indenture Trustee? OPG proposes this in order to keep the optics of the CLPA as simple and straightforward as possible. In other words, is the Province prepared to leave all of the important details regarding what OPG is supposed to do before incurring an obligation that binds the Province to a side agreement with OPG, that is opaque to the Indenture Trustee and Underwriters at the time a funding obligation is incurred and not requiring any third party to have notice or regard to the Province's requirements?

8. OPG proposes that delivery of an officers' certificate to a third party, in OPG's capacity as FSM, will in and of itself bind the Province under the CLPA. That certificate would simply indicate that the Province is bound under the CLPA with respect to the specified funding obligation. It would not be addressed to the Province (although a pre-closing certificate is contemplated to be delivered to the Province) and the "Protection Agreement Maximum" concept would not be incorporated as a specific condition (other

than to the extent that OPG is bound to the Province under the side agreement with the Province). Is this acceptable to the Province? Does this raise any governance/authority issues for the Province (e.g., limit on incurrence needing to be specifically confirmed at closing? scope of permitted delegation to bind? FAA compliance?)

C. "Protection Agreement Maximum" (formerly "Program Maximum" (**PAM**)

9. OPG proposes that the PAM will be determined based on a mechanical calculation and without any real discretion on the part of the Province to set or object to the PAM. Is this acceptable to the Province?

10. OPG's proposed mechanical process to determine PAM would be based on OPG's 24 month forecast (estimate) of payments to be made by the Financing Entity. So long as that forecast (and any refresh) is consistent with the "Financing Plan" (also prepared by OPG) and is "reasonably expected to align with the fair allocation amount", the Province will be required to accept the PAM based on OPG's forecast – i.e., no discretion to reject or modify the aggregate amount of the Province's commitment initially or from time to time. Is the Province prepared to tie its CLPA obligation automatically to the operation of the OFHPA in this way, without review and with perpetual effect?

11. Is the proposed mechanical link to the OFHPA calculations consistent with the OIC or other governance requirements applicable to the Province's authority to approve the CLPA?

12. Is the initial 24 month forecast period appropriate (e.g., 2.5B x 2 – large)? Is OPG's proposed refresh of the PAM (mechanically tied to the new forecast), 9 to 12 months prior to the end of the 24 month forecast period, appropriate?

D. "Process-Related" Matters

13. Assuming the Province is okay with the arrangements described in question 7, above, we would envision a mechanism where the Province could give the Indenture Trustee notice of a breach (if known) by OPG of the PAM or process-related side agreement, and that such a notice would have the effect of cutting off the application of the CLPA for any future incurrences unless the Province further agrees otherwise. Does the Province agree that this sort of failsafe is essential? Note that OPG's suggestion has been that no pre-incurrence non-adherence/failsafe provision be provided, in order to allow the Province to provide notice that the CLPA will not apply to a pending/proposed incurrence.

14. Does the Province need to contemplate other scenarios where the CLPA would become ineffective in respect of future incurrences, such as:

    a. an OPG change of control

    b. a policy-based determination by a future government

    c. an unanticipated circumstance, such as the incurrence by the Financing Entity of assessed tax liabilities, indemnity payments, "increased costs", rating downgrades, offering disclosure-based claims, defaults under the program,

insolvency of a major counterparty (e.g., swap counterparty or services provider), etc.

d. a discretionary circumstance where the Province decides it no longer wishes to be liable under the CLPA?

We expect that OPG would push back so that any suspension of new obligations by the Province would not hamper OPG's ability to complete an anticipated/needed refinancing.

15. Does the Province have any reservations about letting OPG at any time provide a binding certificate to third parties regarding adherence, which would be determinative of the Province's obligations. What conditions for this sort of certificate would make sense (e.g., preview and consent by the Province)? Does this proposal raise any governance/authority issues for the Province (e.g., scope of delegation; FAA compliance)?

16. If the Province is prepared to be liable for taxes owing by the Financing Entity (see question 1, above), what oversight, assurances, documentation and reporting regarding the potential for entity-level taxes should the Province require (if any)?

17. OPG is proposing that the Province will receive a certificate prior to the Financing Entity incurring a funding obligation, that sets out "the material terms of the funding obligations pertaining to the principal amount, pricing and third party fees". Is that a sufficient amount of detail, or would the Province like to specifically itemize its information expectations, to cover things such as:

    a. details respecting any principal obligation, such as:

        i. the amount, timing and conditions of repayments (including any redemption or extension rights)

        ii. the basis for OPG's expectations regarding the availability of any related refinancings

        iii. any required deposits to be made into a capital account or a finance reserve account in order to provide for payment of the principal obligation

        iv. the rating (if any) contemplated to be attributed to the principal repayment of the funding obligation

        v. details respecting any redemption rights, including the nature and conditions applicable to any exercise and OPG's expected basis for determining whether or not to exercise a redemption right, option or privilege;

    b. details respecting interest obligations, such as:

        i. the anticipated interest or discount rate or rates (including default rates)

        ii. the timing/frequency/conditions of coupon payments

iii. any required deposits to be made into a finance reserve account or supplemental account

iv. the availability of any funding rebates in order to provide for payment of interest

v. the rating (if any) contemplated to be attributed to the interest obligation;

c. details respecting any hedging obligation (e.g., interest or FX swaps, options or other derivatives), such as:

i. the name of the counterparty and credit details

ii. the credit ratings (if any) of the payor(s)

iii. the risks sought to be mitigated by the derivative

iv. anticipated circumstances (if any) in which the derivative may not achieve such mitigation or be subject to early termination

v. whether collateral posting requirements will apply;

d. details respecting other funding obligations, such as:

i. the payee

ii. the timing and any conditions of payments

iii. any required deposits to be made into a finance reserve account or supplemental account or the availability of any funding rebates in order to provide for payment of such obligations

iv. in the case of a contingent obligation (e.g., indemnities), the nature and extent of any contingency affecting the payment obligation, the circumstances in which a payment obligation may arise and any specified maximum claim amount

e. assuming that the Province would be liable for capital, reserve or supplementary account deposit obligations (see question 6, above), details respecting the schedule for such deposits and the conditions for the application of such amounts to pay such amounts and the related priorities for application.

18. OPG (and presumably OPG's accountants) is contemplating that the Province will be provided transaction documentation "in substantially final form" and that the Province will not be entitled to provide input "other than in its capacity as obligor under the [CLPA]". In other words, assuming that the CLPA is signed in advance, the Province will have no real opportunity to comment on the forms of transaction documents to be used, and will

have a limited opportunity to "not accept" [1] the documentation. Can the Province live with these limitations?

19. The proposed OPG certificate (pre-incurrence) would include an attestation by OPG regarding the use of pre-reviewed documentation. The test for conformity of the to-be-used documentation, compared to the pre-reviewed documentation, would focus only on whether "the covenants of the Financing Entity are no more onerous in any material respect" and that the "events of default" are consistent "in all material respects". Is the limited scope of this conformity test acceptable, or should it be broadened and cover specific items such as:

    a. no differences in the timing of or circumstances under which payments are or may become due (for example, as a result of any termination, wind-up, liquidation or realization)

    b. no differences that could affect the Province's rights of subrogation or interests as a subrogee

    c. with respect to the anticipated form of series specific documents (as opposed to the upfront terms of program-wide "master" documents), confirming that the variable terms set forth in the proposed documents are as reasonably contemplated in the reviewed forms, having regard to such matters as:

        i. the type of instrument to be issued (i.e., debt (bullet vs. amortizing), equity-linked, pass-through instruments, etc.)

        ii. the scope of the related obligations (e.g., redemption or extension features or other optionality)

        iii. the extent of the related obligations (e.g., limited recourse features, limitations on indemnities, etc.)

        iv. the timing, conditions and circumstances in which payment obligations may arise,

    but making it clear that conformity would not include a comparison to the particular financial terms, rates, levels and parameters of the obligations other than if the reviewed forms specify specific requirements, limitations or parameters.

20. How much time is sufficient for the Province:

    a. to do an initial review of the main transaction documentation (including forms of series-specific documents), which would set the acceptable pattern for future

---

[1] Note that the proposed OPG language is not crystal clear that the Province can reject the reviewed documentation, which we expect is merely drafting, but that will need to be confirmed assuming the Province wishes to work within the OPG/Tory mark-up.

issuances? The proposal is 15 BDs, although that does not seem to make sense given that OPG proposes that the Province must confirm acceptance of the terms within 15 BDs of receipt of the documentation

b. to do a review of any changes to the main transaction documentation (including forms of series-specific documents), which would reset the acceptable pattern for future issuances? The proposal is to receive proposed amendments at least 15 BDs prior to first use, and the Province would confirm acceptance of the terms within 15 BDs of receipt of the documentation

c. to review applicable details of a proposed funding obligation in advance of an incurrence (proposal is 10BDs)?

21. What other items should be incorporated into the timeline from the Province's perspective?

E. Information, Reporting and Other Covenants

22. OPG proposes to provide the Province with an applicable "Financing Plan" only after an incurrence. Does the Province need to see this document as it is issued and changed, rather than only after the time of an incurrence?

23. OPG proposes to provide the Province with any actual offering/disclosure documents only after it is used. Does the Province need to have input into offering/disclosure document before use or dissemination (e.g., the description of the CLPA)?

24. OPG has limited its negative covenant on elections by the Financing Entity following a Protection Event to actions that would accelerate obligations. Should this be broader to cover extensions or other consensual changes that could affect the obligations (e.g., creditor concessions).

F. Parties

25. Will it be sufficient for the CLPA (and any procedural side-letter) to be signed by OPG, acting solely in its capacity as "financial services manager" (i.e., with OPG's liability being limited by the terms of the related management or administrative agreement)? How does this interplay with any other indemnities or exculpatory provisions that the Province is anticipating for OPG (corporate) and its officers?

26. Who from OPG should sign the officer's certificate? The OPG proposal is 2 "executive officers".

27. OPG proposes that a failure to comply with the PAM or "approval process" will not result in any breach. Assuming that OPG is in fact proposing that its failure would have no consequences, including as between the Province and OPG whatsoever, are the process aspects of the OPG proposal even meaningful to the Province?

From: Hanslep, Malle (MOF)
To: Sarah Harris
Cc: Tobias P. Whitfield (MOF)
Subject: FW: Fair Hydro -- Change of Law Assumption Agreement
Date: Wednesday, October 25, 2017 2:43:14 PM
Attachments: 12917730-v1-Questions (Adherence Conditions).docx

---

This will help with some background.

From: Whitfield, Tobias P. (MOF)
Sent: October 24, 2017 1:00 PM
To: Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Further to OPG's response to our proposals, please find attached a discussion document drafted by our outside legal counsel Stephen Ashbourne and based on discussions amongst our Provincial legal teams.

This document sets out a number of questions that we need to consider and answer in order to respond to OPG with the Province's position.

A meeting amongst this group would be useful to discuss these issues and to inform a response to OPG.

Best

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: October 18, 2017 9:53 AM
To: Whitfield, Tobias P. (MOF)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'; Mansoori, Nina
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby – further to discussions between OPG and the Province, please find attached comments on the draft proposal under the Change of Law Protection Agreement (blacklined to the draft circulated below). The attached reflects our comments from accounting, operational and financeability perspectives. In particular, the financeability of the program will turn on whether there is a clear and concise way for investors to determine that an incurrence of funding obligations will be covered under the Change of Law Protection Agreement and that, once confirmed, the confirmation is irrevocable. Accordingly, we have proposed in the attached that a simple confirmation from OPG to a third party binds the Province in respect of

the incurrence of the applicable funding obligations provided that OPG has satisfied the requirements of the approval process (which we propose be the subject of a separate procedures agreement or memo). Please note that the attached remains subject to the review of the working group including the dealers and the rating agencies.

Best Regards,

Nina

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: October-13-17 4:47 PM
To: Mansoori, Nina <nmansoori@torys.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; 'LADAK Lubna - TREASURY' <lubna.ladak@opg.com>
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Please find attached our comments on your response of October 6. We have moved the text of your email to the attached document and responded inline in square brackets for ease of review.

We recognize that we are running out of time, and that we should discuss and move this forward at the beginning of next week.

We also generally recognize that, although there are still some gaps in our respective approaches, we would find it helpful to have some more specific suggestions and comments on our Sept. 27 draft in order to help move this forward. This might include also the timing issues, with some indication of where, if OPG finds the timing does not work, some alternatives can be suggested for consideration.

Best

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: October 6, 2017 5:58 PM
To: Whitfield, Tobias P. (MOF)

Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,

Nina

Accounting Issues:

E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence

-that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt

-the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts)

-the negative pledge with respect to the exercise of certain options on the debt

-the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have. Please also advise if the Province's accountants have reviewed the proposal.

Practical Issues:

- The procedural steps to bind the Province are lengthy and complicated. From our perspective, as drafted, OPG will likely have to seek Provincial approval on each debt issuance (which weakens the accounting as discussed above). The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself. Setting aside the mechanics of how we get there, the dealers want comfort that

the incurrence of obligations by the financing entity will be covered by the Protection Agreement. We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met. The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.

- In addition to the accounting concerns, the level of detail and frequency of reporting required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.

Drafting Issues:

- Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.
- We'd like to understand the reason OPG's management fees have been excluded. We assume you do not intend for OPG's reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? Please advise why taxes are being excluded?
- There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.
- We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: September-27-17 4:21 PM
To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Mansoori, Nina <nmansoori@torys.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona,

Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Rima,

Further to our earlier conversations, please find attached our proposed process for confirmation of application of the Protection Agreement.

We would be happy to discuss further when you have had a chance to review.

Best

Toby

Tobias Whitfield
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Ministry of Finance
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Phone: 416-325-1456

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: September 25, 2017 12:21 PM
To: 'STEPHEN.ASHBOURNE@blakes.com'; Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Good morning all, just following up on our email below. Please let us know when we should expect your feedback.

Many thanks,

Rima

Rima Ramchandani
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79 Wellington St. W., 30th Floor, Box 270, TD South Tower
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TORYS LLP[torys.com]

From: Ramchandani, Rima
Sent: September-19-17 9:55 PM
To: 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Fair Hydro -- Change of Law Assumption Agreement

Steve, Malle and Toby, further to our meeting the other day, set out below for your review is a proposal on the Provincial approval process under the Change of Law Assumption Agreement. Once we have your feedback on this, we will need to share it with Osler and the accountants and as John mentioned, we are under some time pressure to bring this to a resolution prior to

the upcoming June 29 OPG Board meeting. We look forward to your comments, and feel free to reach out if you have any questions. -- Rima

Obligor Approval

The Change of Law Assumption Agreement will apply to all Specified Claims relating to Funding Obligations that are incurred by an Eligible Financing Entity in accordance with the Obligor's approval process. The definition of Specified Claims to be mutually agreed by all parties.

In order for a Financing Entity to become designated as an Eligible Financing Entity by the Obligor, prior to the initial issuance of Funding Obligations by such Financing Entity, the Obligor will be provided with copies of the following documents (collectively the "Program Documents") for review:

(i) the constating documents of such Financing Entity;

(ii) the management agreement between the Financing Entity and OPG;

(iii) the master transfer and servicing agreement between the Financing Entity and the IESO;

(iv) the master trust indenture governing the issuance of Funding Obligations by the Financing Entity;

(v) a form of supplemental indenture governing the issuance of bonds, issuable in series, by the Financing Entity;

(vi) a form of note purchase agreement or credit agreement governing the issuance of short term Funding Obligations by the Financing Entity;

(vii) a form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; and

(viii) such other documents as may be requested by the Obligor.

Once a Financing Entity is designated by the Obligor as an Eligible Financing Entity, it will not be necessary for the Obligor to approve the documentation related to specific issuances of Funding Obligations; however, OPG will be expected to notify the Obligor of any new material program documentation or any material amendments to existing program documentation before such new documentation or amendments become effective. The failure of OPG to provide any such notice will not invalidate the application of the Change of Law Assumption Agreement to any Specified Claims.

It will not be necessary for the Obligor to approve each new issuance of Funding Obligations provided that such Funding Obligations are issued in accordance with following:

(1) The Funding Obligations are issued in accordance with agreements that contain: (a) covenants of the Eligible Financing Entity that are no more onerous in any material respect and (b) events of default that are consistent in all material respects, respectively, with the covenants of the Eligible Financing Entity and events of default contained in the draft Program Documents.

(2) At least [30 days] prior to the initial issuance of Funding Obligations by an Eligible Financing Entity, OPG will provide the Obligor with a forecast of the principal amount and expected term of the Funding Obligations that OPG expects such Eligible Financing Entity to issue in accordance with the Financing Plan in the next two years (a "Two Year Forecast"). The

execution of the Change of Law Assumption Agreement in respect of such Eligible Financing Entity shall constitute the Obligor's approval of the issuance of Funding Obligations by such Eligible Financing Entity in accordance with the Two Year Forecast.
(3) OPG shall provide the Obligor with an updated Two Year Forecast between 9 and 12 months prior to the expiry of each current Two Year Forecast.
(4) Unless the Obligor provides OPG with a written notice no later than 3 months prior to the date following receipt of the current Two Year Forecast that the Change of Law Assumption Agreement will be inapplicable with respect to new Funding Obligations incurred following the expiry of the current Two Year Forecast, the Obligor will be deemed to approve the application of the Change of Law Assumption Agreement to all Funding Obligations incurred up to the expiry of the new Two Year Forecast.
At the time of issuance of Funding Obligations by an Eligible Financing Entity, the Financing Entity will provide (i) any required certifications to the underwriters/agents that such Funding Obligations are covered by the Change of Law Assumption Agreement; and (ii) notice to the Obligor of the material terms of the Funding Obligations issued, together with electronic copies of the final executed Program Documents.
P. 416.865.7666

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privileged or confidential. Any distribution, printing or other use by anyone else is prohibited. If you are not an intended recipient, please contact the sender immediately, and permanently delete this email and attachments.

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Confidential legal advice subject to solicitor-client privilege

October 23, 2017

Questions for MOE and OFA to consider regarding OPG's Proposed Adherence Terms

A. Scope of Province's Obligations under the Change of Law Protection Agreement (**CLPA**)

1. On a Protection Event, should the Province become responsible for the payment of taxes (if any) owing by the Financing Entity?

2. On a Protection Event, should the Province become liable to pay amounts owing by the Financing Entity to OPG (e.g., FSM fees and expenses)?

3. On a Protection Event, should all available funds (e.g., funds accumulated in sinking funds) be immediately applied to reduce the amount that the Province would be liable for under the CLPA?

4. Should the Province set a "Protection Agreement Maximum" (previously called the "Program Maximum") that measures and relates only to "principal amounts"? In other words, should the limitation be tied only to principal obligations, while the Province's actual obligations would automatically extend, without specific quantum limits, to the other payment obligations under "funding obligations" (e.g., interest, swaps, standby liquidity commitment fees, servicer fees and expenses)?

5. Is the Province comfortable guaranteeing contingent obligations (e.g., indemnity obligations) of the Financing Entity? If so, should the Province require that such contingent obligations be "capped" within the funding obligation itself or should the exposure of the Province be otherwise limited under the CLPA?

6. Should the Province be required to deposit funds to meet sinking fund or collateral deposits (i.e., deposit obligations incorporated in the financing structure on the basis that the "clean energy" cash flows will service the obligations, rather than the Province), notwithstanding that the Province would have become primarily liable for payment obligations under the CLPA?

B. Adhesion

7. Is the Province okay splitting the maximum exposure limitations and "process-related" matters (see below) into a separate agreement - away from the terms of the agreement under which the Province's payment obligations would bind the Province opposite the Indenture Trustee? OPG proposes this in order to keep the optics of the CLPA as simple and straightforward as possible. In other words, is the Province prepared to leave all of the important details regarding what OPG is supposed to do before incurring an obligation that binds the Province to a side agreement with OPG, that is opaque to the Indenture Trustee and Underwriters at the time a funding obligation is incurred and not requiring any third party to have notice or regard to the Province's requirements?

8. OPG proposes that delivery of an officers' certificate to a third party, in OPG's capacity as FSM, will in and of itself bind the Province under the CLPA. That certificate would simply indicate that the Province is bound under the CLPA with respect to the specified funding obligation. It would not be addressed to the Province (although a pre-closing certificate is contemplated to be delivered to the Province) and the "Protection Agreement Maximum" concept would not be incorporated as a specific condition (other

than to the extent that OPG is bound to the Province under the side agreement with the Province). Is this acceptable to the Province? Does this raise any governance/authority issues for the Province (e.g., limit on incurrence needing to be specifically confirmed at closing? scope of permitted delegation to bind? FAA compliance?)

C. "Protection Agreement Maximum" (formerly "Program Maximum" (**PAM**)

9. OPG proposes that the PAM will be determined based on a mechanical calculation and without any real discretion on the part of the Province to set or object to the PAM. Is this acceptable to the Province?

10. OPG's proposed mechanical process to determine PAM would be based on OPG's 24 month forecast (estimate) of payments to be made by the Financing Entity. So long as that forecast (and any refresh) is consistent with the "Financing Plan" (also prepared by OPG) and is "reasonably expected to align with the fair allocation amount", the Province will be required to accept the PAM based on OPG's forecast – i.e., no discretion to reject or modify the aggregate amount of the Province's commitment initially or from time to time. Is the Province prepared to tie its CLPA obligation automatically to the operation of the OFHPA in this way, without review and with perpetual effect?

11. Is the proposed mechanical link to the OFHPA calculations consistent with the OIC or other governance requirements applicable to the Province's authority to approve the CLPA?

12. Is the initial 24 month forecast period appropriate (e.g., 2.5B x 2 – large)? Is OPG's proposed refresh of the PAM (mechanically tied to the new forecast), 9 to 12 months prior to the end of the 24 month forecast period, appropriate?

D. "Process-Related" Matters

13. Assuming the Province is okay with the arrangements described in question 7, above, we would envision a mechanism where the Province could give the Indenture Trustee notice of a breach (if known) by OPG of the PAM or process-related side agreement, and that such a notice would have the effect of cutting off the application of the CLPA for any future incurrences unless the Province further agrees otherwise. Does the Province agree that this sort of failsafe is essential? Note that OPG's suggestion has been that no pre-incurrence non-adherence/failsafe provision be provided, in order to allow the Province to provide notice that the CLPA will not apply to a pending/proposed incurrence.

14. Does the Province need to contemplate other scenarios where the CLPA would become ineffective in respect of future incurrences, such as:

    a. an OPG change of control

    b. a policy-based determination by a future government

    c. an unanticipated circumstance, such as the incurrence by the Financing Entity of assessed tax liabilities, indemnity payments, "increased costs", rating downgrades, offering disclosure-based claims, defaults under the program,

insolvency of a major counterparty (e.g., swap counterparty or services provider), etc.

d. a discretionary circumstance where the Province decides it no longer wishes to be liable under the CLPA?

We expect that OPG would push back so that any suspension of new obligations by the Province would not hamper OPG's ability to complete an anticipated/needed refinancing.

15. Does the Province have any reservations about letting OPG at any time provide a binding certificate to third parties regarding adherence, which would be determinative of the Province's obligations. What conditions for this sort of certificate would make sense (e.g., preview and consent by the Province)? Does this proposal raise any governance/authority issues for the Province (e.g., scope of delegation; FAA compliance)?

16. If the Province is prepared to be liable for taxes owing by the Financing Entity (see question 1, above), what oversight, assurances, documentation and reporting regarding the potential for entity-level taxes should the Province require (if any)?

17. OPG is proposing that the Province will receive a certificate prior to the Financing Entity incurring a funding obligation, that sets out "the material terms of the funding obligations pertaining to the principal amount, pricing and third party fees". Is that a sufficient amount of detail, or would the Province like to specifically itemize its information expectations, to cover things such as:

    a. details respecting any principal obligation, such as:

        i. the amount, timing and conditions of repayments (including any redemption or extension rights)

        ii. the basis for OPG's expectations regarding the availability of any related refinancings

        iii. any required deposits to be made into a capital account or a finance reserve account in order to provide for payment of the principal obligation

        iv. the rating (if any) contemplated to be attributed to the principal repayment of the funding obligation

        v. details respecting any redemption rights, including the nature and conditions applicable to any exercise and OPG's expected basis for determining whether or not to exercise a redemption right, option or privilege;

    b. details respecting interest obligations, such as:

        i. the anticipated interest or discount rate or rates (including default rates)

        ii. the timing/frequency/conditions of coupon payments

iii. any required deposits to be made into a finance reserve account or supplemental account

iv. the availability of any funding rebates in order to provide for payment of interest

v. the rating (if any) contemplated to be attributed to the interest obligation;

c. details respecting any hedging obligation (e.g., interest or FX swaps, options or other derivatives), such as:

i. the name of the counterparty and credit details

ii. the credit ratings (if any) of the payor(s)

iii. the risks sought to be mitigated by the derivative

iv. anticipated circumstances (if any) in which the derivative may not achieve such mitigation or be subject to early termination

v. whether collateral posting requirements will apply;

d. details respecting other funding obligations, such as:

i. the payee

ii. the timing and any conditions of payments

iii. any required deposits to be made into a finance reserve account or supplemental account or the availability of any funding rebates in order to provide for payment of such obligations

iv. in the case of a contingent obligation (e.g., indemnities), the nature and extent of any contingency affecting the payment obligation, the circumstances in which a payment obligation may arise and any specified maximum claim amount

e. assuming that the Province would be liable for capital, reserve or supplementary account deposit obligations (see question 6, above), details respecting the schedule for such deposits and the conditions for the application of such amounts to pay such amounts and the related priorities for application.

18. OPG (and presumably OPG's accountants) is contemplating that the Province will be provided transaction documentation "in substantially final form" and that the Province will not be entitled to provide input "other than in its capacity as obligor under the [CLPA]". In other words, assuming that the CLPA is signed in advance, the Province will have no real opportunity to comment on the forms of transaction documents to be used, and will

have a limited opportunity to "not accept" [1] the documentation. Can the Province live with these limitations?

19. The proposed OPG certificate (pre-incurrence) would include an attestation by OPG regarding the use of pre-reviewed documentation. The test for conformity of the to-be-used documentation, compared to the pre-reviewed documentation, would focus only on whether "the covenants of the Financing Entity are no more onerous in any material respect" and that the "events of default" are consistent "in all material respects". Is the limited scope of this conformity test acceptable, or should it be broadened and cover specific items such as:

    a. no differences in the timing of or circumstances under which payments are or may become due (for example, as a result of any termination, wind-up, liquidation or realization)

    b. no differences that could affect the Province's rights of subrogation or interests as a subrogee

    c. with respect to the anticipated form of series specific documents (as opposed to the upfront terms of program-wide "master" documents), confirming that the variable terms set forth in the proposed documents are as reasonably contemplated in the reviewed forms, having regard to such matters as:

        i. the type of instrument to be issued (i.e., debt (bullet vs. amortizing), equity-linked, pass-through instruments, etc.)

        ii. the scope of the related obligations (e.g., redemption or extension features or other optionality)

        iii. the extent of the related obligations (e.g., limited recourse features, limitations on indemnities, etc.)

        iv. the timing, conditions and circumstances in which payment obligations may arise,

    but making it clear that conformity would not include a comparison to the particular financial terms, rates, levels and parameters of the obligations other than if the reviewed forms specify specific requirements, limitations or parameters.

20. How much time is sufficient for the Province:

    a. to do an initial review of the main transaction documentation (including forms of series-specific documents), which would set the acceptable pattern for future

---

[1] Note that the proposed OPG language is not crystal clear that the Province can reject the reviewed documentation, which we expect is merely drafting, but that will need to be confirmed assuming the Province wishes to work within the OPG/Tory mark-up.

issuances? The proposal is 15 BDs, although that does not seem to make sense given that OPG proposes that the Province must confirm acceptance of the terms within 15 BDs of receipt of the documentation

b. to do a review of any changes to the main transaction documentation (including forms of series-specific documents), which would reset the acceptable pattern for future issuances? The proposal is to receive proposed amendments at least 15 BDs prior to first use, and the Province would confirm acceptance of the terms within 15 BDs of receipt of the documentation

c. to review applicable details of a proposed funding obligation in advance of an incurrence (proposal is 10BDs)?

21. What other items should be incorporated into the timeline from the Province's perspective?

E. Information, Reporting and Other Covenants

22. OPG proposes to provide the Province with an applicable "Financing Plan" only after an incurrence. Does the Province need to see this document as it is issued and changed, rather than only after the time of an incurrence?

23. OPG proposes to provide the Province with any actual offering/disclosure documents only after it is used. Does the Province need to have input into offering/disclosure document before use or dissemination (e.g., the description of the CLPA)?

24. OPG has limited its negative covenant on elections by the Financing Entity following a Protection Event to actions that would accelerate obligations. Should this be broader to cover extensions or other consensual changes that could affect the obligations (e.g., creditor concessions).

F. Parties

25. Will it be sufficient for the CLPA (and any procedural side-letter) to be signed by OPG, acting solely in its capacity as "financial services manager" (i.e., with OPG's liability being limited by the terms of the related management or administrative agreement)? How does this interplay with any other indemnities or exculpatory provisions that the Province is anticipating for OPG (corporate) and its officers?

26. Who from OPG should sign the officer's certificate? The OPG proposal is 2 "executive officers".

27. OPG proposes that a failure to comply with the PAM or "approval process" will not result in any breach. Assuming that OPG is in fact proposing that its failure would have no consequences, including as between the Province and OPG whatsoever, are the process aspects of the OPG proposal even meaningful to the Province?

From:	Hanslep, Malle (MOF)
To:	Sarah Harris
Cc:	Tobias P. Whitfield (MOF)
Subject:	FW: Fair Hydro -- Change of Law Assumption Agreement
Date:	Wednesday, October 25, 2017 2:44:55 PM
Attachments:	Response to OPG comments on Change of Law Protection Agreement.docx

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From: Whitfield, Tobias P. (MOF)
Sent: October 13, 2017 4:47 PM
To: Mansoori, Nina
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Please find attached our comments on your response of October 6. We have moved the text of your email to the attached document and responded inline in square brackets for ease of review.

We recognize that we are running out of time, and that we should discuss and move this forward at the beginning of next week.

We also generally recognize that, although there are still some gaps in our respective approaches, we would find it helpful to have some more specific suggestions and comments on our Sept. 27 draft in order to help move this forward. This might include also the timing issues, with some indication of where, if OPG finds the timing does not work, some alternatives can be suggested for consideration.

Best

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: October 6, 2017 5:58 PM
To: Whitfield, Tobias P. (MOF)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Feldman, Michael; Olusoga, Yinka; Donaldson, Mark (TBS); Manning, Mike (OFA); Mayman, Gadi (OFA); Kwan, Ronald (OFA); Kandeepan, Ken (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Strathy, Anna (OFA); Cengarle, John (MOF); Kwan, Ronald (OFA); Katona, Keley (MOF); He, Gavin (OFA); Hirani, Anis (OFA); Kim, John (OFA); Veinot, Cindy (TBS); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); McKinlay, Tom (MAG); 'STEPHEN.ASHBOURNE@blakes.com'; 'LADAK Lubna -TREASURY'
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,

Nina

Accounting Issues:

E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence

-that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt

-the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts)

-the negative pledge with respect to the exercise of certain options on the debt

-the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have. Please also advise if the Province's accountants have reviewed the proposal.

Practical Issues:

- The procedural steps to bind the Province are lengthy and complicated. From our perspective, as drafted, OPG will likely have to seek Provincial approval on each debt issuance (which weakens the accounting as discussed above). The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself. Setting aside the mechanics of how we get there, the dealers want comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement. We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met. The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.
- In addition to the accounting concerns, the level of detail and frequency of reporting

required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.

Drafting Issues:

- Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.
- We'd like to understand the reason OPG's management fees have been excluded. We assume you do not intend for OPG's reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? Please advise why taxes are being excluded?
- There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.
- We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: September-27-17 4:21 PM
To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Mansoori, Nina <nmansoori@torys.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Donaldson, Mark (TBS) <Mark.Donaldson@ontario.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>; Devine, James (OFA) <James.Devine@ofina.on.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Katona, Keley (MOF) <Keley.Katona@ontario.ca>; He, Gavin (OFA) <Gavin.He@ofina.on.ca>; Hirani, Anis (OFA) <Anis.Hirani@ofina.on.ca>; Kim, John (OFA) <John.Kim@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Rima,

Further to our earlier conversations, please find attached our proposed process for confirmation of application of the Protection Agreement.

We would be happy to discuss further when you have had a chance to review.

Best

Toby

Tobias Whitfield
Counsel, Legal Services Branch

Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: September 25, 2017 12:21 PM
To: 'STEPHEN.ASHBOURNE@blakes.com'; Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; 'WONG Leslie -LAWDIV'; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro -- Change of Law Assumption Agreement

Good morning all, just following up on our email below. Please let us know when we should expect your feedback.

Many thanks,

Rima

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

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From: Ramchandani, Rima
Sent: September-19-17 9:55 PM
To: 'STEPHEN.ASHBOURNE@blakes.com' <STEPHEN.ASHBOURNE@blakes.com>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Fair Hydro -- Change of Law Assumption Agreement

Steve, Malle and Toby, further to our meeting the other day, set out below for your review is a proposal on the Provincial approval process under the Change of Law Assumption Agreement. Once we have your feedback on this, we will need to share it with Osler and the accountants and as John mentioned, we are under some time pressure to bring this to a resolution prior to the upcoming June 29 OPG Board meeting. We look forward to your comments, and feel free to reach out if you have any questions. -- Rima

Obligor Approval

The Change of Law Assumption Agreement will apply to all Specified Claims relating to Funding Obligations that are incurred by an Eligible Financing Entity in accordance with the Obligor's approval process. The definition of Specified Claims to be mutually agreed by all parties.

In order for a Financing Entity to become designated as an Eligible Financing Entity by the Obligor, prior to the initial issuance of Funding Obligations by such Financing Entity, the Obligor will be provided with copies of the following documents (collectively the "Program Documents") for review:

(i) the constating documents of such Financing Entity;

(ii) the management agreement between the Financing Entity and OPG;

(iii) the master transfer and servicing agreement between the Financing Entity and the IESO;
(iv) the master trust indenture governing the issuance of Funding Obligations by the Financing Entity;
(v) a form of supplemental indenture governing the issuance of bonds, issuable in series, by the Financing Entity;
(vi) a form of note purchase agreement or credit agreement governing the issuance of short term Funding Obligations by the Financing Entity;
(vii) a form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; and
(viii) such other documents as may be requested by the Obligor.

Once a Financing Entity is designated by the Obligor as an Eligible Financing Entity, it will not be necessary for the Obligor to approve the documentation related to specific issuances of Funding Obligations; however, OPG will be expected to notify the Obligor of any new material program documentation or any material amendments to existing program documentation before such new documentation or amendments become effective. The failure of OPG to provide any such notice will not invalidate the application of the Change of Law Assumption Agreement to any Specified Claims.

It will not be necessary for the Obligor to approve each new issuance of Funding Obligations provided that such Funding Obligations are issued in accordance with following:

(1) The Funding Obligations are issued in accordance with agreements that contain: (a) covenants of the Eligible Financing Entity that are no more onerous in any material respect and (b) events of default that are consistent in all material respects, respectively, with the covenants of the Eligible Financing Entity and events of default contained in the draft Program Documents.

(2) At least [30 days] prior to the initial issuance of Funding Obligations by an Eligible Financing Entity, OPG will provide the Obligor with a forecast of the principal amount and expected term of the Funding Obligations that OPG expects such Eligible Financing Entity to issue in accordance with the Financing Plan in the next two years (a "Two Year Forecast"). The execution of the Change of Law Assumption Agreement in respect of such Eligible Financing Entity shall constitute the Obligor's approval of the issuance of Funding Obligations by such Eligible Financing Entity in accordance with the Two Year Forecast.

(3) OPG shall provide the Obligor with an updated Two Year Forecast between 9 and 12 months prior to the expiry of each current Two Year Forecast.

(4) Unless the Obligor provides OPG with a written notice no later than 3 months prior to the date following receipt of the current Two Year Forecast that the Change of Law Assumption Agreement will be inapplicable with respect to new Funding Obligations incurred following the expiry of the current Two Year Forecast, the Obligor will be deemed to approve the application of the Change of Law Assumption Agreement to all Funding Obligations incurred up to the expiry of the new Two Year Forecast.

At the time of issuance of Funding Obligations by an Eligible Financing Entity, the Financing Entity will provide (i) any required certifications to the underwriters/agents that such Funding

Obligations are covered by the Change of Law Assumption Agreement; and (ii) notice to the Obligor of the material terms of the Funding Obligations issued, together with electronic copies of the final executed Program Documents.

P. 416.865.7666

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[NOTE TO DRAFT: CONFIRM THAT TORYS IS REFERRING TO THE OFA/MOE PROPOSAL FROM SEPTEMBER 27TH.]

Toby,

Thank you for your draft proposal; we have set out below our conceptual comments and concerns on it. Please note that the points below remain subject to the continuing review of OPG. Please also note that we have not yet sought the dealers' views on the proposal. We think it is premature to do so until we settle these points amongst ourselves and a revised draft of the proposal is circulated reflecting our agreement.

As further discussed below, your proposal deviates in some key ways from what we proposed in our email of September 19 (attached) and raises the accounting and operational issues we tried to avoid in the September 19th proposal. Given the need to settle the Protection Agreement as soon as possible, we'd appreciate if we could discuss these points early next week.

Best Regards,
Nina

Accounting Issues:
E&Y has concerns from an accounting perspective with the level of Provincial oversight and input on certain parts of the process, namely:

[There is minimal oversight and input from the Province so long as the pre-agreed scope and parameters are adhered to.]

-that OPG will likely have to go back to the Province on each incurrence of debt and they will have to do so prior to that incurrence

[The proposal is that basic information regarding an incurrence will be provided to enable the province to (1) understand the nature and scope of the incurrence, to enable the Province to address internal governance considerations and (2) to be satisfied that the proposed incurrences are in-line with the pre-agreed parameters (the "Parameters"). The intention is not to curtail incurrences that follow the pre-agreed approach. The timing of the notice to the Province may be a point of discussion.]

-that OPG must certify and provide a lot of detailed reporting with respect to each incurrence of debt
[As the entity running the program, OPG will be expected to provide the province with information sufficient to enable the province to make sure any incurrence falls inside the Parameters. The delivery of a certificate in an agreed form, just prior to the time of the incurrence, is meant to create a brightline test for the financing entity's counterparties to know that, so long as the certificate has been delivered (even if it's inaccurate), the Province will be bound. As you suggest below, any inaccuracy will give rise to considerations between the province and OPG. The delivery of the certificate at the time of an incurrence is considered an important due diligence confirmation for the province.
What is the basis for E&Y expressing a reservation regarding the province having access to underlying information about the "approved obligations", which in turn will define the scope of the

province's own obligations if called upon under the change of law protection agreement (CLPA)?]
-the level of frequency of reporting in general (not just the certifications/information noted above but also the contemplated annual forecasts and quarterly updates of those forecasts)
[Any surety in a similar circumstance would want to know the nature and extent of the obligations incurred and to be incurred. That information is intended to allow the province to ensure compliance with the Parameters. Please provide an alternative proposal that meets OPGs requirements and still provides adequate information for the Province.]
-the negative pledge with respect to the exercise of certain options on the debt
[The idea is that if there is optionality in favour of the financing entity, and the exercise would affect the payment profile under the CLPA, such an exercise following a Protection Event should not affect the Province's payment obligations. In effect, the payment schedule will crystalize and cannot be accelerated or extended once the province becomes obligated to pay, following a Protection Event.]
-the fact that OPG must give notice to the Province when incurring funding obligations that are expressly excluded from the Protection Agreement
[The Province needs to understand the overall credit picture of the financing entity since it will become a creditor (through subrogation) if it is called on to perform. Exclusions are narrowly defined and should be minimal in practice.]

Taken as a whole, we understand that E&Y sees all of this as the Province exerting a level of control on the debt that no typical guarantor would have.
[These checks and balances are in-line with the province not writing a "blank cheque" in relation to future incurrences. Prudent sureties would be expected to exercise diligence - indeed to do less could be evidence of interdependence and non-arm's length terms, which presumably would be unhelpful to E&Y's analysis.] Please also advise if the Province's accountants have reviewed the proposal.
[The Province's accountants are involved in this process and are also reviewing the proposal]

Practical Issues:

- The procedural steps to bind the Province are lengthy and complicated.

[The OFHPA will involve very significant and complex financings. The process is intended to provide an appropriate level of third party enquiry given the size and scale of the financing program to the province and in order to ensure the issuances are within the Parameters.] From our perspective, as drafted, OPG will likely have to seek Provincial approval
[No approval is contemplated or expected by the Province, except if the incurrence is outside of the pre-agreed boundaries.] on each debt issuance (which weakens the accounting as discussed above)
[An explanation of the relevant accounting principles that E&Y has expressed concern about would assist the province to understand E&Y'S concerns. Also, a detailed list of any particular troublesome requirements would be helpful, with drafting suggestions as appropriate] [The dealers and their counsel will have a reaction to the proposed adherence conditions but query whether there is value in setting out the adherence conditions in the Protection Agreement itself.
[From the dealers' perspective, the three listed requirements (namely, (1) quantum under the program limit (2) delivery of the OPG certificate (3) absence of contrary notice from the Province) can be easily and objectively verified by the dealers. These process requirements should be reflected in the incurrence procedures as a check/balance at the relevant time, given that the province will not otherwise be directly involved in the incurrence process but will be obligated under the CLPA] Setting aside the mechanics of how we get there, the dealers want

comfort that the incurrence of obligations by the financing entity will be covered by the Protection Agreement.

[As noted above, the three listed requirements can be easily and objectively confirmed by the dealers prior to a closing. inaccuracies or other failures within the certification process will not negate the Province's obligations] We would propose that the mechanics of any approval process (once we settle the terms of that process) be the subject of a separate procedures agreement or memo from the Province to OPG, whereby the Province delegates to OPG the ability to bind the Province under the Protection Agreement with respect to an incurrence of obligations so long as the adherence conditions in the procedures agreement or memo have been met.

[As noted, this due diligence check/balance is how the province will ensure the issuances satisfy the Parameters. It is anticipated that the Ministers will see this process as significant to the exercise of their authorities under OFHPA 5(3). Ultimately, the Province will depend on OPG, which is why the delivery of a certificate, without being impugned by an accuracy, is the contemplated adherence condition - rather than making the confirmation of certificate accuracy a condition, which we assume would be unwelcome by the underwriters.] The Protection Agreement would then simply state that, upon OPG certifying to the indenture trustee that the adherence conditions have been satisfied under the procedures agreement/memo, the Province will be deemed to be bound under the Protection Agreement with respect to the specific obligations incurred at the time of the certification.

[The Province wants an actual certificate to be delivered to it (not just the indenture trustee) as part of the closing process. Also, the program limit and failsafe disapproval notice are considered to be important safeguards for the province]

- In addition to the accounting concerns, the level of detail and frequency of reporting required present timing and operational issues. For example, as part of the adherence conditions, you are asking for details on the interest rate. However, pricing will in part be driven off whether that specific incurrence will have the benefits of the Protection Agreement.
- [In the case of details not known at the time the OPG certificate is to be delivered (which will be expected to occur close to closing), it should be sufficient to indicate the process by which those details will be finalized. For example, it would be sufficient to say "interest rates to be set on or about [date] based on underwriting syndicate pricing indications".]

Drafting Issues:

- Please refer to the existing terminology of the Act to ensure there is certainty on the obligations covered under the Protection Agreement. We think the best way for you to approach this would be to refer to all finance amounts and then expressly carve out what you are proposing not be covered.
- [The proposal uses the specific defined terms from the OFHPA and regulation, in order to tie back to the statute and appropriately narrow the scope to the obligations that are reasonably known to require protection from the province. Considerable thought has been given to the approach reflected in the province's proposal. The Province wishes to focus on each inclusion that requires the support arrangements, which should then be net of available/free cash flows, set-offs, etc. Please provide specific comments on any specific items of concerns.]
- We'd like to understand the reason OPG's management fees have been excluded. [This is still an open question under consideration.] We assume you do not intend for OPG's

reimbursement costs (costs incurred by OPG on behalf of the Financing Entity) to be excluded? [Under consideration] Please advise why taxes are being excluded?

[CRA does not require/is not entitled by law to the benefit of the protection arrangement. Please explain the logic of the request to include taxes]

- There are a few references to "exceed the maximum amount specified therefor in the applicable governing document". Please advise what is being contemplated here.

[For the Province's support arrangement to apply to an obligation, the quantum of the obligation must be factored into the program maximum test. if the obligation is a contingent obligation, the province's obligations must be capped so that the amount of the cap can be factored into the program limit test]

- We have a number of other drafting comments which we'll revisit once we've settled on the conceptual points above and have reviewed a revised draft of the document.

[In the interest of time, please provide any other detailed comments you may have on the September 27th version of the proposal as soon as possible]

From:	Sarah Harris
To:	Malle Hanslep (MOF)
Cc:	Tobias P. Whitfield (MOF); Opal Kandelas; Mike Manning; Dean Hwang
Subject:	FW: Fair Hydro -- Form of ISDA Schedule
Date:	Wednesday, October 25, 2017 2:31:54 PM

Hi Malle,
When you're available to discuss, please let me know. If it is possible for you to share the draft schedule in advance, that would be helpful.
Thanks,
Sarah

From: Mike Manning
Sent: Tuesday, October 24, 2017 6:49 PM
To: Malle Hanslep (MOF)
Cc: Tobias P. Whitfield (MOF) ; Opal Kandelas ; Sarah Harris
Subject: Re: Fair Hydro -- Form of ISDA Schedule

I think that is a good idea. We may need all hands on deck.
Thanks, Mike

Sent from my iPhone

On Oct 24, 2017, at 5:36 PM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca> wrote:

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>
> Perhaps we can discuss this tomorrow?
>
> Thanks
> Sent from my BlackBerry 10 smartphone on the Rogers network.
> From: Mansoori, Nina <nmansoori@torys.com>
> Sent: Tuesday, October 24, 2017 17:21
> To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
> Cc: Feldman, Michael; Ramchandani, Rima; Olusoga, Yinka; Saulnier, Brett; Mansoori, Nina
> Subject: RE: Fair Hydro -- Form of ISDA Schedule
>
> All,
>
> We attach a draft Schedule for an ISDA Master Agreement to be used for hedging purposes in connection with the issuance of Fair Hydro debt. This draft is subject to the working group's review and comment.
>
> Best Regards,

Nina

Nina Mansoori
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[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=1VTa1zXh4KcvkaKlO9-ARX4ZdAPchHFOUlZrzzbEKu8&s=WV1r2al3I6I7hp4_ENGNsOCi-ONgrumWNDvMZJ5snis&e= >

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From:	Hanslep, Malle (MOF)
To:	Sarah Harris
Cc:	Tobias P. Whitfield (MOF)
Subject:	FW: Fair Hydro -- Revised MTSA and IESO Security Agreement
Date:	Wednesday, October 25, 2017 2:45:46 PM
Attachments:	#24367979v3_TorysAtWork_ - Fair Hydro - MTSA (Osler Oct 20 Draft).DOCX Blackline_Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version) - 24367979v3.pdf IESO Security Agreement.docx

Hi – These are a lot of documents.

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: October 25, 2017 12:12 PM
To: Mansoori, Nina; Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
Cc: Feldman, Michael; Olusoga, Yinka; Saulnier, Brett; Ramchandani, Rima; WONG Leslie -LAWDIV; 'LEE John -TREASURY'; RYFA Ken -TREASURY
Subject: RE: Fair Hydro -- Revised MTSA and IESO Security Agreement

Malle and team, attached is a revised draft of the MTSA (clean and blacklined to the prior draft circulated to Steve), together with an initial draft of the IESO security agreement (as a reminder, in order to achieve a AAA rating in light of the moratorium period, it has been proposed that IESO enter into this security agreement in favour of the financing entity as security for the performance of its regulatory obligation to pay carrying costs during the moratorium).

FYI, these documents are currently under review by the IESO and Stikeman.

Rima

Rima Ramchandani
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Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: Mansoori, Nina
Sent: October-24-17 5:21 PM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; STEPHEN.ASHBOURNE@blakes.com
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Best Regards,

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MASTER TRANSFER AND SERVICING AGREEMENT

between

[FINANCING ENTITY]
as Issuer

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

- and -

■
as Indenture Trustee

Dated as of ■, 2017

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EXHIBIT

Exhibit A – Form of Transfer Notice

Exhibit B – Form of Monthly Report

Exhibit C – Form of Monthly Carrying Costs Statement

MASTER TRANSFER AND SERVICING AGREEMENT

THIS AGREEMENT made as of ■, 2017.

BETWEEN:

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario

(the "**Issuer**")

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital amalgamated under the laws of the Province of Ontario

(the "**Transferor**" in its capacity as transferor, the "**Servicer**", in its capacity as servicer, and the "**IESO**" in its capacity as both Transferor and Servicer)

- and -

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee

(the "**Indenture Trustee**")

WHEREAS the Government of Ontario has enacted the *Ontario Fair Hydro Act, 2017* (the "**Act**") for the purpose of, among other things, ensuring that clean energy costs and clean energy benefits (each as defined in the Act) are fairly allocated among present and future Specified Consumers;

AND WHEREAS, under the Act, the IESO is required to establish and maintain the Fair Hydro Variance Account, and has the right under the Act and the Regulations to record certain amounts in the Fair Hydro Variance Account and recover the balance from time to time of the Fair Hydro Variance Account from Specified Consumers (such right, the "**Regulatory Asset**");

AND WHEREAS the IESO may from time to time, in accordance with the Act, Transfer a Specified Portion of the Regulatory Asset to the Issuer on a fully-serviced basis, and pursuant to Section 26(3) of the Act, such a Transfer results in (i) a reduction in the balance in the Fair Hydro Variance Account, (ii) the corresponding adjustment of the Regulatory Asset, and (iii) the acquisition by the Issuer of an Investment Interest corresponding to the Specified Portion of the Regulatory Asset;

AND WHEREAS the Issuer may finance the acquisition from the IESO, from time to time, of an Investment Interest through the incurrence of Funding Obligations under the Indenture;

AND WHEREAS the Issuer will grant a security interest over all of the Issuer Investment Interest to and in favour of the Indenture Trustee on behalf of all Specified Creditors;

AND WHEREAS in connection with its ownership of the Issuer Investment Interest and in order to collect the associated Clean Energy Adjustments in accordance with the Act, the Issuer desires to engage the Servicer to carry out the services described herein and the Servicer desires to be so engaged;

AND WHEREAS the Indenture Trustee has been appointed pursuant to the Indenture to act on behalf of all Specified Creditors (as defined in the Indenture) and wishes to acknowledge and accept the rights and obligations granted to it thereby, including, but not limited to, its rights set forth in this Agreement.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**Act**" has the meaning ascribed thereto in the recitals;

"**Agreement**" means this master transfer and servicing agreement, as amended, supplemented, modified, restated or replaced from time to time, and the expressions "herein", "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and not to any Article, Section, paragraph, subparagraph or clause hereof;

"**Billing Period**" means a calendar month in which the Clean Energy Adjustment is billed to Specified Consumers;

"**Board**" means the Ontario Energy Board, a statutory corporation without share capital continued under the *Ontario Energy Board Act, 1998*, S.O., 1998;

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

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations;

"**CEA Consumer Invoice Amounts**" means amounts invoiced by an Electricity Vendor to Specified Consumers in respect of the Clean Energy Adjustment based on the rates established by the Board;

"**Clean Energy Adjustment**" has the meaning ascribed to the term "clean energy adjustment" in the Act;

"**Closing Date**" means the date on which a Transfer is completed as specified in the applicable Transfer Notice;

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the parties hereto and any other owner or owners of an Investment Interest as contemplated by Section 29(5) of the Act in form and substance satisfactory to the parties hereto, acting reasonably;

"**Co-Owner Implementation Date**" means the date, if any, upon which the Issuer Investment Interest ceases to be the only Investment Interest outstanding representing the full Investment Asset;

"**Collection Account**" has the meaning ascribed thereto in Section **[8.02(a)]**[1] of the Indenture;

"**Daily Remittance Event**" means the occurrence of either: (i) a Servicer Default or (ii) the IESO (or any successor thereto) ceasing to have the Required Servicer Rating;

"**Declaration of Trust**" means the declaration of trust made as of ■, 2017 under which the Issuer was established, as may be supplemented, amended, replaced or amended and restated from time to time;

"**Electricity Vendor**" has the meaning ascribed to the term "electricity vendor" in the Act;

"**Electricity Vendor CEA Collections**" means payments actually received by Electricity Vendors from Specified Consumers in respect of Clean Energy Adjustments;

"**Electricity Vendor Billing Period Report**" means a report as contemplated by Section 17(s) of the Act from each Electricity Vendor in respect of each Billing Period where Clean Energy Adjustments are billed to Specified Consumers containing:

(a) its total CEA Consumer Invoice Amounts in such Billing Period;

(b) its total Electricity Vendor CEA Collections during such Billing Period; and

(c) such other information as may be agreed to.

"**Eligible Deposit Account**" means an account in Canada with an Eligible Institution;

"**Eligible Institution**" means:

1 All cross-references to the Indenture to be conformed to the final version of the Indenture.

(a) at any time before the Co-Owner Implementation Date, an "Eligible Institution" as defined in the Indenture; and

(b) at any time on or after the Co-Owner Implementation Date, an "Eligible Institution" as defined in the applicable Co-Owner Agreement;

"**Fair Hydro Variance Account**" means the variance account established by the IESO pursuant to Section 24(1) of the Act;

"**Financing Entity**" has the meaning ascribed to the term "financing entity" in the Act;

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act;

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

"**IESO**" or "**Independent Electricity System Operator**" means the Independent Electricity System Operator, a statutory corporation without share capital established by the *Electricity Act, 1998*, SO, 1998;

[NTD: The Issuer may at some point have to publicly file this Agreement, and a copy of it will be circulated to the rating agencies. Therefore, it seems prudent not to include IESO bank account details in the Agreement.]

"**IESO Deferral**" has the meaning ascribed to the term "IESO deferral" in the Act;

"**IESO Disclosure**" has the meaning ascribed thereto in Section 5.7;

"**IESO Segregated Account**" has the meaning ascribed thereto in Section means the account established under Section 3.4(a);

"**Indemnified Losses**" has the meaning ascribed thereto in Section 6.1(a);

"**Indemnified Party**" has the meaning ascribed thereto in Section 6.1(a);

"**Indenture**" means the master trust indenture dated ■, 2017 between the Indenture Trustee and the Issuer;

"**Indenture Trustee**" means ■, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee for the benefit of Specified Creditors, or any successor thereto, under the Indenture;

"**Insolvency Event**" means, with respect to a specified Person, the specified Person admits the inability of such specified Person to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of such specified Person or otherwise

acknowledges the insolvency of such specified Person or any proceeding shall be instituted by or against such specified Person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization, moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, trustee or other similar official for such specified Person or for any substantial part of its property and if such proceeding has been instituted against such specified Person either such proceeding has not been stayed or dismissed within **[45]** days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part, or if a receiver is privately appointed in respect of such specified Person or of the property of such specified Person or any substantial part thereof;

"**Investment Asset**" has the meaning ascribed to the term "investment asset" in the Act;

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act;

"**Issuer**" means ■, a trust formed under the laws of the Province of Ontario;

"**Issuer Funding Obligations**" means the Funding Obligations of the Issuer;

"**Issuer Investment Interest**" means, initially, the Investment Interest acquired by the Issuer pursuant to the first Transfer completed under this Agreement and, upon the completion of each Transfer thereafter, the cumulative Investment Interest acquired by the Issuer;

"**Issuer Share**" means:

(a) at any time before the Co-Owner Implementation Date, 100%; and

(b) at any time on or after the Co-Owner Implementation Date, the percentage determined in accordance with the applicable Co-Owner Agreement;

"**Issuer Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Issuer at such time;

"**Lien**" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind;

"**Management Agreement**" means the management agreement dated ■, 2017 between the Manager and the Issuer;

"**Manager**" means OPG, in its capacity as manager of the Issuer, and any successor appointed in accordance with the Management Agreement;

"**Minister**" means the Minister of Energy or such other member of the Executive Council as may be assigned the administration of the Act under the *Executive Council Act*;

"**Monthly Carrying Costs**" has the meaning ascribed thereto in Section 3.14(b);

"**Monthly Carrying Costs Statement**" has the meaning ascribed thereto in Section 3.14(b);

"**Monthly Report**" has the meaning ascribed thereto in Section 3.5(a);

"**Officer's Certificate**" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section **[10.01]** of the Indenture, and delivered to the Indenture Trustee;

"**OPG**" means Ontario Power Generation Inc., a corporation established under the laws of the Province of Ontario;

"**Opinion of Counsel**" means one or more written opinions of counsel, which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party;

"**Permitted Successor**" means any successor to the IESO under the Act, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, conversion, acquisition, sale or transfer, by operation of law, as a result of any restructuring, or otherwise, but only to the extent such successor is approved by the Minister;

"**Permitted Transfer**" means (i) a Transfer to the Issuer pursuant to this Agreement; and (ii) a Transfer to a person who has entered into a Co-Owner Agreement with, inter alia, the Issuer.

"**Person**" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority;

"**Proceeding**" means any suit in equity, action at law or other judicial or administrative proceeding;

"**Program Agreements**" has the meaning ascribed thereto in the Indenture;

"**Purchase Price**" has the meaning ascribed thereto in Section 2.1(a);

"**Rating Agency**" has the meaning ascribed thereto in the Indenture;

"**Rating Agency Condition**" has the meaning ascribed thereto in the Indenture;

"**Records**" has the meaning ascribed thereto in Section 7.1;

"**Regulations**" means Ontario Regulation 206/17: General, together with any other regulations promulgated under the Act;

"**Regulatory Asset**" has the meaning ascribed thereto in the recitals;

"**Released Parties**" has the meaning ascribed thereto in Section 6.1(f);

"**Remittance Date**" means, in respect of each Billing Period, the **[3rd]** Business Day following the last day of each Billing Period;

"**Required Servicer Rating**" means ■; **[NTD: Definition to tie to loss of investment grade credit rating.]**

"**Requirement of Law**" means any foreign, Canadian federal, provincial or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law;

"**Responsible Officer**" means, with respect to: (a) the Issuer, any authorized director or officer of the Manager; (b) the Servicer, any authorized director or officer of the IESO; (c) a Successor Servicer, any authorized director or officer of the Successor Servicer; and (d) the Indenture Trustee, any officer of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject);

"**Servicer**" means the Independent Electricity System Operator, as Servicer under this Agreement, or any Successor Servicer to the extent permitted under this Agreement;

"**Servicer CEA Receipts**" has the meaning ascribed thereto in Section 3.4(e);

"**Servicer Default**" has the meaning ascribed thereto in Section 7.1;

"**Specified Consumer**" has the meaning ascribed to the term "specified consumer" in the Act;

"**Specified Creditors**" has the meaning ascribed thereto in the Indenture;

"**Specified Portion**" means, in respect of the Regulatory Asset and any Transfer, the portion of the Regulatory Asset subject to such Transfer, as set out in the applicable Transfer Notice.

"**Successor Servicer**" has the meaning ascribed thereto in Section **[3.07(e)]** of the Indenture;

"**Supplemental Indenture**" means an indenture supplemental to the Indenture that authorizes the incurrence of Funding Obligations;

"**Termination Event**" has the meaning ascribed thereto in Section ■;

"**Termination Notice**" has the meaning ascribed thereto in Section 7.1;

"**Transfer**" has the meaning ascribed to the term "transfer" in the Act, and "**Transferred**" has a corresponding meaning;

"**Transfer Notice**" means a Transfer Notice in respect of a Transfer substantially in the form of Exhibit A to this Agreement and delivered pursuant to Section 2.1(a) of this Agreement; and

"**Transferor**" means the Independent Electricity System Operator, as transferor under this Agreement;

1.2 Sections and Headings[2]

The table of contents does not form part of this Agreement. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

(a) Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. A reference to any agreement, instrument or declaration means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or replaced from time to time.

(b) The term "**including**" means "including without limitation", and other forms of the verb "**include**" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated, in the computation of a period of time from a specified date to a later specified date, the word "**from**" means "**from and including**" and each of the words "**to**" and "**until**" means "**to but excluding**".

(e) The words "**hereof**", "**herein**" and "**hereunder**" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, unless otherwise specified. References to Articles, Sections, Appendices and Exhibits in this Agreement are references to Articles, Sections, Appendices and Exhibits in or to this Agreement unless otherwise specified.

(f) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor.

(g) The word "**will**" shall be construed to have the same meaning and effect as the word "**shall**". The word "**or**" is not exclusive.

2 Torys to conform boilerplate provisions, as applicable, across all transaction documents.

ARTICLE 2
TRANSFER OF SPECIFIED PORTIONS OF THE REGULATORY ASSET

2.1 Transfer Notices and Agreement to Transfer a Specified Portion of the Regulatory Asset

(a) The Transferor may, no more frequently than monthly and no later than the 8th Business Day of any calendar month, offer to Transfer to the Issuer a Specified Portion of the Regulatory Asset by providing to the Issuer a Transfer Notice executed by the Transferor and setting out (i) the Specified Portion of the Regulatory Asset that the Transferor is offering to Transfer to the Issuer, (ii) the consideration to be paid to the Transferor by the Issuer for the Transfer (the "**Purchase Price**") which shall be equal to the amount of such Specified Portion of the Regulatory Asset, (iii) the Closing Date to effect such transfer which shall be no earlier than the **[5th]** Business Day after the delivery of the Transfer Notice and no later than the last Business Day of the calendar month in which the Transfer Notice was delivered, or such other Business Day as may be agreed by the Transferor and the Issuer, and (iv) such other information as required in the form of Transfer Notice attached as Exhibit A hereto.

(b) On or before the 2nd Business Day following receipt of a Transfer Notice, the Issuer shall have the right, but not the obligation, to accept the Transferor's offer to Transfer the Specified Portion of the Regulatory Asset subject to the Transfer Notice by executing and returning such Transfer Notice to the Transferor. Upon acceptance by the Issuer of the Transfer Notice, there shall be a binding agreement for IESO to Transfer the Specified Portion of the Regulatory Asset and for the Issuer to pay the Purchase Price, subject to satisfaction of all conditions precedent in Section 2.2.

(c) Provided that all conditions precedent set out in Section 2.2 have been satisfied on or prior to the applicable Closing Date, on the applicable Closing Date, the Issuer shall deliver or cause to be delivered to the Transferor, by bank wire transfer or bank electronic funds transfer, in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set forth in the applicable Transfer Notice. The Transferor agrees that receipt by the Transferor of the payment referred to in this Section 2.1(c) is receipt by the Transferor of a payment referred to in Section 26(3) of the Act.

(d) Upon receipt by the Transferor of the payment referred to in Section 2.1(c), the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price received and shall retain no further right, title or interest in the corresponding Issuer Investment Interest.

(e) The parties intend that this Agreement, together with each Transfer Notice accepted by the Issuer, constitute an agreement, for purposes of Section 27(2) of the Act for the Transferor to dispose, upon receipt by the Transferor of the payment referred to

in Section 2.1(d), of a Specified Portion of the Regulatory Asset and to assign, convey or sell a corresponding Investment Interest to the Issuer.

2.2 Conditions Precedent to each Transfer of a Specified Portion of the Regulatory Asset

(a) The obligation of the Issuer to pay the Purchase Price related to the initial Transfer of a Specified Portion of the Regulatory Asset shall be subject to the satisfaction by the Transferor, or waiver by the Issuer and the Indenture Trustee, of the following conditions:

(i) the Issuer and the Indenture Trustee shall have received from the Transferor the following documents, in form and substance satisfactory to each of the Issuer and the Indenture Trustee:

(A) a certificate of an officer of the IESO, dated the initial Closing Date certifying (1) that attached thereto is a true and complete copy of the by-laws of the IESO, each as in effect on the date of such certificate, (2) that attached thereto is a true and complete copy of a resolution adopted by the IESO's board of directors authorizing the execution, delivery and performance of this Agreement and the performance by the IESO of its obligations hereunder, and that such resolution has not been modified, rescinded or amended and is in full force and effect, and (3) as to the incumbency and true specimen signature of each of the IESO officers or delegates executing this Agreement and authorized to give notices and instructions hereunder (which can be changed by notice hereunder); and

(B) the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them. **[NTD: Scope of opinions required to be confirmed by the Dealers and their counsel]**

(b) The obligation of the Issuer to pay the Purchase Price related to each Transfer of a Specified Portion of the Regulatory Asset (including the initial Transfer) shall be subject to the satisfaction or waiver by the Issuer and the Indenture Trustee of each of the following conditions:

(i) as of the applicable Closing Date, all Program Agreements shall have been entered into on terms and conditions satisfactory to the Issuer and the Indenture Trustee and shall be in full force and effect as of such Closing Date;

(ii) as of the applicable Closing Date, no Insolvency Event in respect of the Transferor shall have occurred and the Transferor is not aware of any pending Insolvency Event with respect to itself;

(iii) as of the applicable Closing Date, (A) the representations and warranties of the IESO in this Agreement must be true and correct with the same force and effect as if made on that date (except to the extent they relate to an earlier date), (B) no breach of any covenant or agreement of the IESO contained in this Agreement shall have occurred be continuing, and (C) no Servicer Default shall have occurred and be continuing;

(iv) on or prior to the applicable Closing Date, the Transferor shall have taken all action required to provide for the Transfer, upon payment of the Purchase Price, of the Specified Portion of the Regulatory Asset as set forth in the applicable Transfer Notice on the Closing Date, free and clear of all Liens other than Liens created by the Issuer pursuant to the Program Agreements;

(v) the Transferor shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate confirming the satisfaction of each condition precedent specified in Sections 2.2(b)(i), (ii), (iii) and (iv);

(vi) as of the applicable Closing Date, (A) the Issuer shall have sufficient funds available to pay the Purchase Price as set forth in the applicable Transfer Notice, (B) all conditions to any incurrence of Funding Obligations intended to provide such funds set forth in the Indenture (and any applicable Supplemental Indenture) or other instrument shall have been satisfied or waived, (C) the Rating Agency Condition in respect of the issuance of the Funding Obligations funding the payment of the Purchase Price shall have been satisfied, and (D) the Funding Obligation required to fund the payment of the Purchase Price shall have been issued at the same time as, or prior to, the Transfer; and

(vii) after giving effect to the Transfer, each of the Fair Hydro Variance Account and the Regulatory Asset will have a balance or amount, as applicable, equal to or greater than zero.

ARTICLE 3
ROLE OF THE SERVICER

3.1 Designation of Servicer

Each Transfer of a specified portion of the Regulatory Asset shall be made on the basis that the related Issuer Investment Interest shall be serviced by the Servicer in accordance with this Article 3, and the IESO or any Permitted Successor of the IESO that is the Servicer shall not be entitled to receive any further compensation from the Issuer for its services in connection therewith. The Servicer agrees to perform the duties and obligations of the Servicer pursuant to the terms hereof at no additional cost to the Issuer.

3.2 Forecast of Electricity Consumption

The IESO shall:

(a) provide to the Board and the Financial Services Manager the forecasts of electricity consumption by Specified Consumers as contemplated by Section 8(3) of the Regulations; and

(b) provide to the Board and the Financial Services Manager such other information and reports as the Board or the Financial Services Manager may reasonably request in connection with the calculation of the Clean Energy Adjustments and which is reasonably available to the Transferor without incurring material incremental expense.

3.3 ISO Deferral

The IESO shall:

(a) determine the IESO Deferral as required by Section 23 of the Act and the Regulations; and

(b) maintain the Fair Hydro Variance Account as required by Section 24 of the Act and the Regulations.

3.4 Clean Energy Adjustments and Electricity Vendors

The Servicer shall:

(a) prior to receiving Servicer CEA Receipts, establish an Eligible Deposit Account (the "**IESO Segregated Account**") bearing a designation indicating that the funds deposited therein are held in trust for the benefit of the Issuer and, after the Co-Owner Implementation Date, for the benefit of any other owner or owners of an Investment Interest. If at any time the IESO Segregated Account ceases to be an Eligible Deposit Account, the Servicer shall within 30 days establish a new IESO Segregated Account as an Eligible Deposit Account and shall transfer any cash and/or any investments held in the former account to such new account and make all future deposits to such new account;

(b) prior to the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, make reasonable efforts to work with each Electricity Vendor to:

(i) establish a segregated account into which Electricity Vendor CEA Collections are to be deposited as required by Section 10(2) of the Regulations;

(ii) settle a form of Electricity Vendor Billing Period Report to be used by such Electricity Vendor; and

(iii) establish procedures for the invoicing by such Electricity Vendor of amounts in respect of the Clean Energy Adjustment, the identification, deposit and segregation of Electricity Vendor CEA Collections, the remittance of Electricity Vendor CEA Collections to the Servicer and reporting to the Servicer; **[NTD: Generally, someone will need to take responsibility for educating the Electricity Vendors and we believe the IESO is best positioned to take on this role given its existing relationships and opportunities to interact with the EVs.]**

(c) request certification from each Electricity Vendor that the segregated account required by Section 10(2) of the Regulations has been established by that Electricity Vendor;

(d) as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive Electricity Vendor CEA Collections from Electricity Vendors;

(e) as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive any amounts in respect of Clean Energy Adjustments payable directly by Specified Consumers to the Servicer (such amounts, together with the amounts referred to in Section 3.4(d), the "**Servicer CEA Receipts**");

(f) deposit the Servicer CEA Receipts into the IESO Segregated Account promptly following receipt by the Servicer and, in any event, within [two Business Days] of receipt by the Servicer and the Issuer Share of such Servicer CEA Receipts shall remain in the IESO Segregated Account until remitted in accordance with Section 3.6;

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

(h) request from each Electricity Vendor an Electricity Vendor Billing Period Report in respect of each Billing Period during which Clean Energy Adjustments are billed to Specified Consumers; such report to be requested to be delivered within ■ Business Days of the end of each Billing Period;

(i) review each Electricity Vendor Billing Period Report received by the Servicer for material manifest discrepancies including any discrepancy between the Electricity Vendor CEA Collections reported in respect of the Billing Period and the amount remitted pursuant to Section 3.4(d);

(j) make reasonable efforts to contact each Electricity Vendor that:

(i) does not deliver an Electricity Vendor Billing Period Report in respect of a Billing Period where Clean Energy Adjustments were payable by Specified Consumers;

(ii) does not remit any Electricity Vendor CEA Collections in accordance with Section 3.4(d) or remits Electricity Vendor CEA Collections that do not match the amount thereof reported in its Electricity Vendor Billing Period Report,

(iii) delivers an Electricity Vendor Billing Period Report that has any other material manifest discrepancy detected by the Servicer, or

(iv) does not certify that it has established the segregated account required by Section 10(2) of the Regulations,

and attempt to resolve the applicable issue;

(k) on a periodic basis as requested by the Issuer, review, pursuant to its rights under Section 10(4) of the Regulations, the records maintained by each Electricity Vendor with respect to Clean Energy Adjustments; provided that in the absence of evidence of material non-compliance by an Electricity Vendor with its duties and obligations in respect of Clean Energy Adjustments, the Servicer shall not be required to review the records of a Electricity Vendor more often than ■.

(l) hold the Issuer Share of Servicer CEA Receipts and the Issuer Share of any other proceeds in respect of the Clean Energy Adjustment received by it in trust for the benefit of the Issuer and remit such amounts in accordance with this Section 3.6 without any surcharge, fee, offset, charge or other deduction.

3.5 Reporting

The Servicer shall:

(a) on or before the **[8th Business Day]** following the end of each Billing Period, prepare and deliver to the Issuer a written report substantially in the form of Exhibit B (a "**Monthly Report**");

(b) report to the Issuer any delinquencies by Electricity Vendors in respect of the CEA amounts collected and the remittance of Electricity Vendor CEA Collections;

(c) report to the Issuer any unresolved matters referred to in Section 3.4(j);

(d) promptly notify the Issuer in writing of any Requirement of Law hereafter adopted or announced or the occurrence of any other event or circumstance of which it becomes aware that has a material adverse effect on the Servicer's ability to perform its duties and obligations under this Agreement; and

(e) upon the reasonable request of the Issuer, the Indenture Trustee or any Rating Agency, provide to the Issuer, the Indenture Trustee or such Rating Agency, as the case may be, any public financial information in respect of the Servicer, or any material information regarding the Issuer Investment Interest or the Regulatory Asset, to the extent it is reasonably available to the Servicer and as may be

reasonably necessary and permitted by law, to enable the Issuer, the Indenture Trustee or the Rating Agencies to monitor the performance by the Servicer of its duties and obligations hereunder.

3.6 Remittances

(a) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA Receipts received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period.

(b) Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA Receipts on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account on each Business Day.

3.7 Limits to Obligations

Without in any way limiting the duties and obligations of the Servicer arising under the Act or the Regulations, the parties hereto agree the duties and obligations of the Servicer under this Agreement are limited as provided in this Section 3.7.

(a) The Servicer is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from their customers or not remitted by Electricity Vendors to the Servicer.

(b) The Servicer is not responsible for enforcing the obligations of Specified Consumers or Electricity Vendors to invoice, collect or remit Clean Energy Adjustments or any other amounts.

(c) The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations including (i) the invoicing of Specified Consumers in respect of the Clean Energy Adjustment and ancillary matters related thereto; (ii) the collection from Specified Consumers of amounts due in respect of such invoices and the remittance of such payments to the Servicer; (iii) the accuracy of any information provided by the Electricity Vendors; and (iv) any reporting by the Electricity Vendors, including the reporting to the Servicer of the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and the Issuer Share of Electricity Vendor CEA Collections received by such Electricity Vendor.

(d) The Servicer is under no responsibility or obligation to the Issuer with respect to whether the Clean Energy Adjustments funds remitted by the Servicer to Issuer during any or all periods is sufficient to satisfy the Issuer's obligations.

(e) The Servicer is under no obligation to initiate or prosecute any legal action relating to the collection of the Issuer Investment Interest.

3.8 Servicing and Maintenance Standards

(a) The Servicer shall discharge its duties, responsibilities and obligations hereunder with reasonable care and in material compliance the Requirements of Law, including the Act and the Regulations and shall follow standards, policies and procedures in performing its duties as Servicer hereunder that are customary for an electricity market operator and administrator that regularly performs settlement functions. In furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with reasonable care and in material compliance with applicable Requirement of Laws, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to similar settlement activities on its own account.

(b) The Servicer may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising under this Agreement.

(c) Neither the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment.

3.9 Appointments

The Servicer may at any time appoint any Person to act as its agent to perform all or any portion of its obligations as Servicer hereunder; provided however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided further that the Servicer shall remain obligated and be liable for the performance of its obligations under this Agreement without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were performing such obligations. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, and the Issuer shall not have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section 3.11.

3.10 Term

The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off (in each case, a "**Termination Event**"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.

3.11 Resignation of Servicer

The IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and the Rating Agencies at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and the Rating Agencies concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.12 Mergers

Any Person (a) into which the Servicer may be merged, converted or amalgamated and that is a Permitted Successor, (b) that may result from any merger, conversion or amalgamation to which the Servicer shall be a party and that is a Permitted Successor, (c) that may succeed to the properties and assets of the Servicer substantially as a whole and that is a Permitted Successor, or (d) that otherwise is a Permitted Successor, which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Servicer hereunder, shall be the successor to the Servicer under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 4.1 shall have been breached and no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, (ii) the Servicer shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger or succession and such agreement of assumption complies with this Section 3.12 and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (iii) the Servicer shall have given to the Issuer prior written notice of such transaction. When any Person that is a Permitted Successor acquires the properties and assets of the Servicer substantially as a whole or otherwise becomes the successor, by merger, conversion, consolidation, sale, transfer, lease or otherwise, to all or substantially all the assets of the Servicer in accordance with the terms of this Section 3.12, then, upon satisfaction of all of the other conditions of this Section 3.12, the preceding Servicer shall automatically and without further notice be released from all of its obligations hereunder (except for responsibilities for its actions prior to such release).

3.13 The IESO Not to Resign as Servicer

Subject to the provisions of Section 3.12, the IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and each Rating Agency at the earliest practicable time (and, if such communication is not in writing, shall be

confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and each Rating Agency concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.14 IESO Regulatory Obligation to Pay Carrying Costs

(a) During the period beginning on December 1, 2017 and ending on July 31, 2021, the IESO shall, as required under the Regulations, pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs during the period beginning on June 1, 2017 and ending on July 31, 2021.

(b) On or before the 4th Business Day of each calendar month, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of Exhibit C (a "**Monthly Carrying Costs Statement**") setting out the amount of Carrying Costs in respect of the preceding calendar month ("**Monthly Carrying Costs**").

(c) On or before the 8th Business Day following receipt by the IESO of the Monthly Carrying Costs Statement, the IESO shall, as required under the Regulations, deliver or cause to be delivered to the Issuer, by wire transfer or electronic funds transfer in immediately available funds, an amount in Canadian dollars equal to the Monthly Carrying Costs set forth in the applicable Monthly Carrying Costs Statement.

3.15 IESO Security for CEA Remittances

If required by the Issuer, the IESO shall provide to the Issuer, on or prior to the first day of the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, a letter of credit in an amount equal to $■, or such other form of security as may be acceptable to the Issuer and the Indenture Trustee, as security for any failure of Electricity Vendors, following [July 31, 2021], to remit the Electricity Vendor CEA Collections.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE IESO

4.1 Representations and Warranties

Subject to Section 4.3, the IESO makes the following representations and warranties as of the date hereof and as of each applicable Closing Date, and the IESO acknowledges that the Issuer and the Indenture Trustee will rely thereon in paying the Purchase Price related to Transfers of Specified Portions of the Regulatory Asset, and the Issuer has relied thereon in entering into this Agreement relating to the servicing of the corresponding Investment Interests.

(a) Organization and Good Standing. The IESO is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite corporate power and

authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it.

(b) Due Qualification. The IESO has obtained all necessary licences and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including acting as Servicer under this Agreement) shall require such licences or approvals, except where the failure to so qualify or obtain such licences and approvals would not be reasonably likely to have a material adverse effect on the IESO's business, operations, assets, revenues or properties, the Regulatory Asset or the servicing of related Investment Interests.

(c) Power and Authority. The IESO has the requisite corporate power and authority to execute and deliver this Agreement and to carry out its terms. The IESO has full corporate power and authority to hold the Regulatory Asset and to Transfer Specified Portions of the Regulatory Asset to the Issuer and the IESO has duly authorized such Transfer to the Issuer by all necessary corporate action. The execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary corporate action on the part of the IESO under all applicable laws.

(d) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the IESO, enforceable against the IESO in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof by the IESO do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time, or both) a default under, the IESO's by-laws, or any indenture, or other material agreement or instrument to which the IESO is a party or by which it is bound, result in the creation or imposition of any Lien upon any of the IESO's properties pursuant to the terms of any such indenture, agreement or other instrument or violate any existing law or any order, rule or regulation applicable to the IESO issued by any Governmental Authority having jurisdiction over the IESO or its properties.

(f) No Proceedings. To the IESO's knowledge, there are no Proceedings pending or threatened against the IESO or its properties: (a) asserting the invalidity of this Agreement or the Act, (b) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Act, or (c) seeking a determination or ruling that could reasonably be expected to materially and adversely affect the performance by the IESO of its obligations under, or the validity or enforceability of, this Agreement or the Act.

(g) Approvals. No approvals, authorizations, consents, orders or other actions or filings with any Governmental Authority are required for the IESO to execute, deliver and perform its obligations under this Agreement except those which have previously been obtained or made.

(h) Information. At the date hereof and as of each applicable Closing Date, except in respect of information provided by a third party, all written information, as amended or supplemented from time to time, provided by the Transferor to the Issuer with respect to the Regulatory Asset is true and correct in all material respects and does not omit any material facts.

(i) The Transfer. After the completion of the Transfer on the applicable Closing Date, the IESO will have no right, title or interest in the Investment Interest related to the Specified Portion of the Regulatory Assets as set forth in the applicable Transfer Notice and the related Investment Interest shall not form part of the estate of the IESO in the event of an Insolvency Event in respect of the IESO.

(j) No Transfer. Except for Permitted Transfers, the IESO has not sold, transferred, assigned or otherwise conveyed any interest in the Regulatory Asset to any Person.

(k) Liens. IESO has not pledged or otherwise granted a Lien to any Person in the Regulatory Asset and to the IESO's knowledge (after due inquiry), there is no registered financing statement listing the IESO as debtor covering or extending to the Regulatory Asset.

(l) Tax Liens. The IESO (i) is not aware, after due inquiry, of any judgment or tax lien filing against the IESO, and (ii) is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada).

(m) Solvency. On the date hereof and after giving effect to each Transfer, the IESO:

(i) reasonably believes that it will be able to pay its debts as they come due; and

(ii) is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

(n) No Court Order. There is no order by any court that seeks to enjoin the performance of any obligations of the IESO under the Act or this Agreement.

4.2 Survival

The representations and warranties set forth in Section 4.1 shall survive the execution and delivery of this Agreement, each Transfer of an Investment Interest to the Issuer and the pledge thereof to the Indenture Trustee pursuant to the Indenture and may not be waived by any party hereto except pursuant to a written agreement executed in accordance with Section 8.1 and as to which the Rating Agency Condition has been satisfied.

4.3 Limitations on Representations and Warranties

Notwithstanding anything in this Agreement to the contrary, the IESO makes no representation or warranty with respect to the collectability of the Issuer Share of Servicer CEA Receipts or that the Issuer Share of Servicer CEA Receipts be sufficient to satisfy the Issuer's Funding Obligations.

ARTICLE 5
COVENANTS OF THE IESO

5.1 Existence

So long as any Issuer Funding Obligations are outstanding, the IESO (a) will keep in full force and effect its existence and remain validly existing under the laws of the Province of Ontario, and (b) will obtain and preserve its qualifications to do business in each jurisdiction in which such qualification is or will be necessary to protect the validity and enforceability of this Agreement and each other instrument or agreement to which the IESO is a party necessary for the proper administration of this Agreement and the transactions contemplated hereby.

5.2 No Transfer or Liens

Except for Transfers under this Agreement to the Issuer or Permitted Transfers, the IESO will not Transfer the Regulatory Asset or any portion thereof to any person. The IESO will not grant, create, incur, assume or suffer to exist any Lien on the Regulatory Asset or any portion thereof. The IESO will not at any time assert any Lien against or with respect to the Issuer Investment Interest, and will defend the right, title and interest of the Issuer and of the Indenture Trustee, on behalf of the Specified Creditors, in, to and under the Issuer Investment Interest against all claims of third parties claiming through or under the Transferor.

5.3 Notice of Liens

The IESO shall notify the Issuer and the Indenture Trustee promptly after becoming aware of any Lien on any portion of the Regulatory Asset.

5.4 Compliance with Law

The IESO will comply with all Requirements of Law applicable to, and binding upon, the IESO or relating to the Regulatory Asset, the Investment Asset or Investment Interests, except to the extent that failure to so comply would not materially adversely affect the Issuer's or the Indenture Trustee's interests in the Issuer Investment Interest, the value of the Issuer Investment Interest, the timing or amount of Clean Energy Adjustments payable by Specified Consumers or the IESO's performance of its obligations under this Agreement; provided, however, that the foregoing is not intended to, and shall not, impose any liability on the IESO for non-compliance with any Requirement of Law that the IESO is contesting in good faith in accordance with its customary standards and procedures.

5.5 Covenants Related to the Investment Interest

(a) So long as any Issuer Funding Obligations are outstanding, the IESO shall treat the Issuer Investment Interest as the Issuer's property for all purposes.

(b) Except for passive investments held for employee benefit purposes, the IESO shall not at any time become a holder of Issuer Funding Obligations.

(c) The IESO shall disclose the effects of all transactions between the IESO and the Issuer in accordance with generally accepted accounting principles (for government entities).

(d) (i) In all Proceedings relating directly or indirectly to the Issuer Investment Interest, the IESO shall affirmatively certify and confirm that it has Transferred all of its rights and interests in and to the Specified Portion of the Regulatory Asset giving rise to the Issuer Investment Interest, (ii) the IESO shall not make any statement or reference in respect of the Issuer Investment Interest that is inconsistent with the ownership interest of the Issuer, and (iii) the IESO shall not take any action in respect of the Issuer Investment Interest except solely in its capacity as the Servicer thereof pursuant to this Agreement.

5.6 Non-petition Covenants

Notwithstanding any prior termination of this Agreement or the Indenture, the IESO shall not, prior to the date that is one year plus one day after termination of the Indenture and the payment in full of all Issuer Funding Obligations and any other amounts owed under the Indenture, petition or otherwise invoke the process of any Governmental Authority for the purpose of commencing or sustaining a Proceeding against the Issuer under any Canadian bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official or any substantial part of the property of the Issuer.

5.7 Disclosure

The IESO shall provide such non-confidential information regarding IESO, the Regulatory Asset and the services provided by the Servicer hereunder (collectively, the "**IESO Disclosure**") as may be reasonably requested by the Issuer for inclusion in any offering document of the Issuer from time to time, including but not limited to offering memoranda, prospectuses, registration statements and continuous disclosure documents and represents that, except in respect information provided by a third party, all such information is, as at the respective dates of delivery to the Issuer, true and correct in all material respects, contains no misrepresentation and constitutes full, true and plain disclosure of all material facts relating to the IESO Disclosure.

5.8 Further Assurances

Upon the request of the Issuer, the IESO shall execute and deliver such further instruments and do such further acts as may reasonably be necessary to carry out the provisions and purposes of this Agreement.

5.9 Access to Certain Records and Information Regarding Investment Interest

The IESO shall provide to the Issuer and the Indenture Trustee access to all records relating to the IESO Deferral, the Fair Hydro Variance Account, the IESO Segregated Account and Servicer CEA Receipts, as is reasonably required for the Issuer and the Indenture Trustee to confirm compliance by the IESO with its obligations under this Agreement. Access shall be afforded without charge, but only upon reasonable request and during normal business hours at the offices of the IESO. Nothing in this Section 5.9 shall affect the obligation of the IESO to comply with any Requirement of Law prohibiting disclosure of information, and the failure of the IESO to provide access to such information as a result of such obligation shall not constitute a breach of this Section 5.9.

5.10 Maintenance of Operations

Subject to Section 3.12, the IESO agrees to continue, unless prevented by circumstances beyond its control, to operate as the electricity system operator in the Province of Ontario so long as it is acting as the Servicer under this Agreement.

ARTICLE 6
IESO INDEMNITIES

6.1 Liability of the IESO; Indemnities

(a) The IESO shall indemnify the Issuer, the Indenture Trustee (for itself and for the benefit of the Specified Creditors), the Manager and each of their respective trustees, officers, directors, employees and agents (each, an "**Indemnified Party**"), for, and defend and hold harmless each such Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "**Indemnified Losses**") imposed on, incurred by or asserted against any such Person as a result of (i) the failure of the IESO to perform its covenants and other obligations under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and (ii) the IESO's breach of any of its representations or warranties under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and, except to the extent of Indemnified Losses resulting from the willful misconduct, bad faith or gross negligence of such Person seeking indemnification hereunder; provided that, in each case, the IESO shall not be required to indemnify an Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any Proceeding or investigation without the written consent of the IESO, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Party of notice of the commencement of any Proceeding or investigation, such Indemnified Party shall, if a claim in respect thereof is to be made against the IESO under this Section 6.1(a), notify the IESO in writing of the commencement thereof. Failure by an Indemnified Party to so notify the IESO shall relieve the IESO from the obligation to indemnify and hold harmless such Indemnified Party under this Section 6.1(a) only to the extent that the IESO

suffers actual prejudice as a result of such failure. With respect to any Proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.1(a), the IESO shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Party, the defence of any such Proceeding or investigation (in which case the IESO shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Party except as set forth below); provided, that the Indemnified Party shall have the right to participate in such Proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the IESO's election to assume the defence of any Proceeding or investigation, the Indemnified Party shall have the right to employ separate counsel, and the IESO shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the defendants in any such action include both the Indemnified Party and the IESO and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it that are different from or additional to those available to the IESO, (ii) the IESO shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, (iii) the IESO authorizes the Indemnified Party to employ separate counsel at the expense of the IESO, or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the IESO shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Parties other than one local counsel, if appropriate. The IESO will not, without the prior written consent of the Indemnified Party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or Proceeding in respect of which indemnification may be sought under this Section 6.1(a) (whether or not the Indemnified Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising out of such claim or Proceeding.

(b) For purposes of Section 6.1(a), in the event of the termination of the rights and obligations of the IESO (or any successor thereto pursuant to Section 3.12) as Servicer pursuant to Section 7.1, or a resignation by such Servicer pursuant to Section 3.11 of this Agreement, the IESO shall be deemed to be the Servicer pending appointment of a Successor Servicer pursuant to Section 7.2.

(c) Indemnification under Section 6.1(a) shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable legal fees and expenses), except as otherwise expressly provided in this Agreement.

(d) Indemnification under this Section 6.1 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Act and shall survive the resignation or removal of the Indenture Trustee or the termination of this Agreement and will rank *pari passu* with other general, unsecured obligations of the IESO.

(e) The IESO shall not be required to indemnify any party under this Section 6.1 for any losses resulting from changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision.

(f) Except to the extent expressly provided in this Agreement (including the payment of the Purchase Price), the IESO hereby releases and discharges the Issuer and each of its trustees, officers, directors and agents (collectively, the "**Released Parties**"), from any and all actions, claims and demands whatsoever, whenever arising, which the IESO, in its capacity as Servicer or otherwise, shall or may have against any such Person relating to the Investment Interest or the IESO's activities with respect thereto, other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

ARTICLE 7
SERVICER DEFAULT

7.1 Servicer Default

If any one or more of the following events (each, a "**Servicer Default**") shall occur and be continuing:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of **[two/three] [NTD: Rating Agencies will expect 2-3 days]** Business Days after written notice of such failure is received by the Servicer from the Issuer or the Indenture Trustee or after discovery of such failure by a Responsible Officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, duly to observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in this Agreement (other than as provided in Section 7.1(a)) or any other Program Agreement to which it is a party, which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or to the Servicer or the IESO, as the case may be, by the Indenture Trustee or (B) such failure is discovered by a Responsible Officer of the Servicer;

(c) any representation or warranty made by the Servicer in this Agreement, any other Program Agreement or in any Monthly Report, shall prove to have been incorrect when made, which has a material adverse effect on the Issuer, the Indenture Trustee or any other Specified Creditor and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer (with a copy to the Indenture

Trustee) by the Issuer or the Indenture Trustee or (ii) such failure is discovered by a Responsible Officer of the Servicer;

(d) an Insolvency Event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs;

then, and in each and every case, the Indenture Trustee shall, upon the instruction of the Specified Creditors as provided for under the Trust Indenture, subject to the terms of any Co-Owner Agreement, by notice then given in writing to the Servicer (and to the Indenture Trustee if given by the Specified Creditors) (a "**Termination Notice**"), terminate all the rights and obligations (other than the obligations set forth in Section 6.1 and the obligation under Section 7.2 to continue performing its functions as Servicer until a Successor Servicer is appointed) of the Servicer under this Agreement and under the Co-Owner Agreement. In addition, upon a Servicer Default described in Section 7.1(a), the Specified Creditors and the Indenture Trustee (or any of their representatives) shall be entitled to apply to a court of appropriate jurisdiction for an order for sequestration and payment of revenues arising with respect to the Issuer. On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Agreement, whether with respect to the Investment Interest, the Clean Energy Adjustments or otherwise, shall, without further action, pass to and be vested in such Successor Servicer as may be appointed under Section 7.2; and, without limitation, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of all documents and records related to the Regulatory Asset, the Fair Hydro Variance Account and related documents or records, or otherwise (the "**Records**"). The predecessor Servicer shall cooperate with the Successor Servicer, the Issuer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the Successor Servicer for administration by it of all Records and all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Investment Interest or the Clean Energy Adjustment. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Records to the Successor Servicer. If a Successor Servicer has been appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable legal fees and expenses) incurred in connection with transferring the Records to the Successor Servicer and amending this Agreement and any Co-Owner Agreement to reflect such succession as Servicer pursuant to this Section 7.1 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. Termination of the IESO as Servicer shall not terminate the IESO's rights or obligations under this Agreement (except rights thereunder deriving from its rights as the Servicer hereunder).

7.2 Appointment of Successor Servicer

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 7.1 or the Servicer's resignation or removal in accordance with the terms of this Agreement, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, until a Successor Servicer shall have assumed in writing the

obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Indenture Trustee may, and at the written direction and with the consent of the Specified Creditors as provided for under the Trust Indenture shall, but subject to the provisions of the applicable Co-Owner Agreement, appoint a Successor Servicer with the Issuer's prior written consent thereto (which consent shall not be unreasonably withheld), and the Successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuer. If, within 30 days after the delivery of the Termination Notice, a Successor Servicer shall not have been appointed, the Indenture Trustee may, at the direction of Specified Creditors as provided for under the Trust Indenture, petition a court of competent jurisdiction to appoint a Successor Servicer under this Agreement. A Person shall qualify as a Successor Servicer only if (i) such Person is permitted under the Act to perform the duties of the Servicer, (ii) the Rating Agency Condition shall have been satisfied with respect to such appointment, (iii) such Person enters into a master transfer and servicing agreement with the Issuer having substantially the same provisions as this Agreement and (iv) such Person agrees to perform the obligations of the Servicer under any Co-Owner Agreement. In no event shall the Indenture Trustee be liable for its appointment of a Successor Servicer. The Indenture Trustee's expenses incurred under this Section 7.2(a) shall be at the sole expense of the Issuer and payable from the Collection Account as provided in **[Section 8.02]** of the Indenture.

(b) Upon appointment, the Successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter placed on the predecessor Servicer and shall be entitled to all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

7.3 Waiver of Past Defaults

The Indenture Trustee, with the written consent of Specified Creditors as provided for under the Trust Indenture, may waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to the Collection Account in accordance with this Agreement. Upon any such waiver of a past default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

7.4 Notice of Servicer Default

The Servicer shall deliver to the Issuer, the Manager, the Indenture Trustee and the Rating Agencies promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice of any event that, with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 7.1.

7.5 Cooperation with Successor Servicer

The Servicer covenants and agrees with the Issuer that it will, on an ongoing basis, cooperate with the Successor Servicer and provide whatever information is, and take whatever actions are, reasonably necessary to assist the Successor Servicer in performing its obligations hereunder.

ARTICLE 8
MISCELLANEOUS

8.1 Amendment

This Agreement may be amended in writing by the IESO, the Issuer and the Indenture Trustee and with satisfaction of the Rating Agency Condition. Promptly after the execution of any such amendment, the Issuer shall furnish copies of such amendment to each of the Rating Agencies.

8.2 Withholding Rights

The parties shall be entitled to deduct and withholding from amounts payable under this Agreement such amounts as each is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

8.3 No Partnership

Each party expressly disclaims any intention to create a partnership, and none of the Issuer, the IESO or the Indenture Trustee will be deemed to be carrying on business in partnership by reason of its execution and delivery of this Agreement or the exercise or performance by it of its respective rights and obligations hereunder.

8.4 Notices

Any notice, report or other communication given hereunder shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (b) upon receipt when sent by an overnight courier, (c) on the date personally delivered to an authorized officer of the party to which sent, or (d) on the date transmitted by electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the IESO, in its capacity as Transferor or Servicer:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, Ontario M5H 1T1

Attention: Chief Financial Officer, General Counsel and Associate General Counsel
Email: ■

(b) in the case of the Issuer or the Manager (on behalf of the Issuer):

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

(c) in the case of the Indenture Trustee:

■
[Address]

Attention: ■
Email: ■

Each party hereto may, by notice given in accordance herewith to the other party or parties hereto, designate any further or different address to which subsequent notices, reports and other communications shall be sent. Any notice, report or communication required to be given by the IESO hereunder to a Rating Agency shall be given to the address provided by the Issuer from time to time.

8.5 Assignment

Notwithstanding anything to the contrary contained herein, except as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the IESO.

8.6 Limitations on Rights of Third Parties

The provisions of this Agreement are solely for the benefit of the IESO, the Issuer and, to the extent provided herein or in the other Program Agreements, the Indenture Trustee (for its own benefit and for the benefit of the Specified Creditors) and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Issuer Investment Interest or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

8.7 Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.8 Separate Counterparts; Electronic Delivery

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by a party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

8.9 Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party to this Agreement attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

8.10 Grant of Security Interest to Indenture Trustee

The IESO hereby acknowledges and consents to the grant of a Lien by the Issuer to the Indenture Trustee pursuant to the Indenture for the benefit of the Specified Creditors against all right, title and interest of the Issuer in, to and under this Agreement, the Investment Interest and the proceeds thereof and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Specified Creditors.

8.11 Limitation of Liability of Indenture Trustee

It is expressly understood and agreed by the parties hereto that this Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee on behalf of the Specified Creditors, in the exercise of the powers and authority conferred and vested in it. The Indenture Trustee in acting hereunder is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

8.12 Limitation of Liability of the Issuer Trustee

(a) It is expressly understood and agreed by the parties hereto that the Issuer Trustee is acting solely in its capacity as trustee of the Issuer, and not in any other capacity. The Issuer solely shall be responsible for the performance of the Issuer's obligations hereunder and the assets of the Issuer solely shall be subject to levy or execution in satisfaction of such obligations.

(b) The Issuer Trustee will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by the Issuer Trustee to be taken, or the Issuer Trustee's failure to compel in any way any former or acting Issuer Trustee to redress any breach of trust with respect to the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, provided that the foregoing limitation will not apply in respect of action or failure to act arising from or in connection with dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee, in doing anything or permitting anything to be done in respect of the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, is, and will be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 8.12, the Issuer Trustee will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the Issuer Trustee owned in its personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

(c) The holders of the units of the Issuer will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by it to be taken. The holders of the units of the Issuer will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the holders of the units of the Issuer owned in their personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

8.13 Waivers

Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof; provided, however, that no such waiver delivered by the Issuer shall be effective unless the Indenture Trustee has given its prior written consent thereto. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party, with prompt written notice of any such waiver to be provided to the Rating Agencies. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any

way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

[INDENTURE TRUSTEE]
as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT A

FORM OF TRANSFER NOTICE

See attached

TRANSFER NOTICE

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

This Transfer Notice is delivered to you pursuant to Section 2.1 of a master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Master Transfer and Servicing Agreement.

The Transferor hereby gives notice to the Issuer of its offer to transfer to the Issuer on the Closing Date set out below, on a fully serviced basis, the Specified Portion of the Regulatory Asset set out below, all in accordance with the terms and conditions of the Master Transfer and Servicing Agreement. In consideration for (i) the Transferor's Transfer to the Issuer of the Specified Portion of the Regulatory Asset set out below, on a fully serviced basis, the Issuer shall deliver or cause to be delivered to the Transferor on the Closing Date set out below, by wire transfer in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set out below.

Upon receipt by the Transferor of the Purchase Price on the Closing Date, (i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price, and the Regulatory Asset shall be adjusted accordingly; and (ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any adverse claim, and shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest.

Specified portion of Regulatory Asset: $■

Purchase Price: $■

Closing Date: ■

The Transferor hereby represents, warrants and confirms that:

(i) each of the representations and warranties on the part of the Transferor contained in the Master Transfer and Servicing Agreement are true and correct in all respects on the date hereof as if made on the date hereof;

(ii) the Transferor is not in breach of any of its covenants in the Master Transfer and Servicing Agreement; and

(iii) as of the date hereof, each condition precedent that must be satisfied by the Transferor under Section 2.2 of the Master Transfer and Servicing Agreement is capable of being satisfied prior to Closing Date.

The closing shall take place at ■ (Toronto time) on the Closing Date referred to above at the offices of ■, except as may be otherwise mutually agreed. The Purchase Price shall be paid on that date by bank wire transfer to [insert IESO bank account details].

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

The undersigned hereby accepts the foregoing offer.

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT B

FORM OF MONTHLY REPORT

See Attached

MONTHLY REPORT

[NTD: Subject to continuing review by the Dealers and their counsel.]

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and by **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Report have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ■ of the Master Transfer and Servicing Agreement the Servicer hereby certifies in respect of the Billing Period corresponding to the calendar month of ■, ■, as follows:

	Item	**Amount**
(A)	Servicer CEA Receipts:	$■
(B)	Balance of Collection Account:	$■

[NTD: Any additional information considered necessary for OPG/IESO to be included.]

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT C

FORM OF MONTHLY CARRYING COSTS STATEMENT

See Attached

MONTHLY CARRYING COSTS STATEMENT

TO: INDEPENDENT ELECTRICITY SYSTEM OPERATOR
[Address]

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Carrying Costs Statement have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section 3.14 of the Master Transfer and Servicing Agreement, the undersigned hereby certifies that the Monthly Carrying Costs in respect of the calendar month of ■, ■ are as follows:

		Amount
Funding costs:		$■
Derivative payments to be made:		$■
Amounts deposited into accounts other than capital accounts:		$■
Financing entity expenses:		$■
Tax liabilities:		$■
	Subtotal:	**$■**
LESS:		
Amounts withdrawn from accounts other than capital accounts:		
Derivative payments to be received:		
Tax refunds:		**$■**
	Subtotal:	**$■**
Monthly Carrying Costs		**$■**

In accordance with Section 3.14(b) of the Master Transfer and Servicing Agreement, the undersigned hereby directs you to deliver to the Issuer, by wire transfer to the account set forth below, an amount in Canadian dollars equal to the Monthly Carrying Costs set forth above on or before ■, 20■, and this shall be your good and valid authority for so doing.

[NTD: Wire transfer instructions to be provided by OPG.]

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

MASTER TRANSFER AND SERVICING AGREEMENT

between

[FINANCING ENTITY]
as Issuer

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

~~Acknowledged~~ and ~~Accepted by~~

■
as Indenture Trustee

Dated as of ■, 2017

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Exhibit B – Form of Monthly Report
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MASTER TRANSFER AND SERVICING AGREEMENT

THIS AGREEMENT made as of ■, 2017.

BETWEEN:

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario

(the "**Issuer**")

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital amalgamated under the laws of the Province of Ontario

(the "**Transferor**" in its capacity as transferor, the "**Servicer**", in its capacity as servicer, and the "**IESO**" in its capacity as both Transferor and Servicer)

- ~~acknowledged~~ and ~~accepted by~~ -

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee

(the "**Indenture Trustee**")

WHEREAS the Government of Ontario has enacted the *Ontario Fair Hydro Act, 2017* (the "**Act**") for the purpose of, among other things, ensuring that clean energy costs and clean energy benefits (each as defined in the Act) are fairly allocated among present and future Specified Consumers;

AND WHEREAS, under the Act, the IESO is required to establish and maintain the Fair Hydro Variance Account, and has the right under the Act and the Regulations to record certain amounts in the Fair Hydro Variance Account and recover the balance from time to time of the Fair Hydro Variance Account from Specified Consumers (such right, the "**Regulatory Asset**");

AND WHEREAS the IESO may from time to time, in accordance with the Act, Transfer a ~~specified portion~~**Specified Portion** of the Regulatory Asset to the Issuer on a fully-serviced

basis, and pursuant to Section 26(3) of the Act, such a Transfer ~~shall result~~results in (i) a reduction in the balance in the Fair Hydro Variance Account, (ii) the corresponding adjustment of the Regulatory Asset, and (iii) the acquisition by the Issuer of an Investment Interest corresponding to the ~~specified portion~~Specified Portion of the Regulatory Asset;

AND WHEREAS the Issuer may finance the acquisition from the IESO, from time to time, of an Investment Interest through the incurrence of Funding Obligations under the Indenture;

AND WHEREAS the Issuer will grant a security interest over all of the Issuer Investment Interest to and in favour of the Indenture Trustee on behalf of all Specified Creditors;

AND WHEREAS in connection with its ownership of the Issuer Investment Interest and in order to collect the associated Clean Energy Adjustments in accordance with the Act, the Issuer desires to engage the Servicer to carry out the services described herein and the Servicer desires to be so engaged;

AND WHEREAS the Indenture Trustee has been appointed pursuant to the Indenture to act on behalf of all Specified Creditors (as defined in the Indenture) and wishes to acknowledge and accept the rights and obligations granted to it thereby, including, but not limited to, its rights set forth in this Agreement.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**Act**" has the meaning ascribed thereto in the recitals;

~~"**Administrative Agent**" means OPG, in its capacity as administrative agent of the Issuer;~~

~~"**Administrative Services Agreement**" means the administrative services agreement dated ■, 2017 between the Administrative Agent and the Issuer concerning the reimbursement of certain costs incurred by the Administrative Agent in connection with the administration of the Issuer;~~

~~"**Affiliate**" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "**control**" when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the~~

~~ownership of voting securities, by contract or otherwise, and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing;~~

"**Agreement**" means this master transfer and servicing agreement, as amended, supplemented, modified, restated or replaced from time to time, and the expressions "herein", "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and not to any Article, Section, paragraph, subparagraph or clause hereof;

"**Billing Period**" means a calendar month in which the Clean Energy Adjustment is billed to Specified Consumers;

"**Board**" means the Ontario Energy Board, a statutory corporation without share capital continued under the *Ontario Energy Board Act, 1998*, S.O., 1998;

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are~~, or the office of the Indenture Trustee is,~~ authorized or obligated by law, regulation or executive order to be closed;

"Carrying Costs" has the meaning ascribed to the term "carrying costs" in the Regulations;

"**CEA Consumer Invoice Amounts**" means amounts invoiced by an Electricity Vendor to Specified Consumers in respect of the Clean Energy Adjustment based on the rates established by the Board;

"**Clean Energy Adjustment**" has the meaning ascribed to the term "clean energy adjustment" in the Act;

"**Closing Date**" means the date on which a Transfer is completed as specified in the applicable Transfer Notice;

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the ~~Issuer~~**parties hereto** and any other owner or owners of an Investment Interest as contemplated by ~~subsection~~**Section** 29(5) of the Act **in form and substance satisfactory to the parties hereto, acting reasonably**;

"**Co-Owner Implementation Date**" means the date, if any, upon which the Issuer Investment Interest ceases to be the only Investment Interest outstanding representing the full Investment Asset;

"**Collection Account**" has the meaning ascribed thereto in Section **[8.02(a)]**[1] of the Indenture;

~~"**Corporate Trust Office**" means the office of the Indenture Trustee at which, at any particular time, its corporate trust business shall be administered, which office as of the date hereof is located at ■; Telephone: ■; Email: ■, or at such other address as the Indenture Trustee may designate from time to time by notice to the Specified Creditors and the Issuer, or the principal corporate trust office of any successor trustee designated by like notice;~~

[1] All cross-references to the Indenture to be conformed to the final version of the Indenture.

"**Daily Remittance Event**" means ~~■ [NTD: Definition to be tied to the loss of investment grade ratings of the IESO]~~the occurrence of either: (i) a Servicer Default or (ii) the IESO (or any successor thereto) ceasing to have the Required Servicer Rating;

"**Declaration of Trust**" means the declaration of trust made as of ■, 2017 under which the Issuer was established, as may be supplemented, amended, replaced or amended and restated from time to time;

~~"**Electricity Act**" means the *Electricity Act, 1998*, SO, 1998;~~

"**Electricity Vendor**" has the meaning ascribed to the term "electricity vendor" in the Act;

"**Electricity Vendor CEA Collections**" means payments actually received by Electricity Vendors from Specified Consumers in respect of Clean Energy Adjustments;

"**Electricity Vendor Billing Period Report" means a report as contemplated by Section 17(s) of the Act from each Electricity Vendor in respect of each Billing Period where Clean Energy Adjustments are billed to Specified Consumers containing:**

(a) **its total CEA Consumer Invoice Amounts in such Billing Period;**

(b) **its total Electricity Vendor CEA Collections during such Billing Period; and**

(c) **such other information as may be agreed to.**

"Eligible Deposit Account" means an account in Canada with an Eligible Institution;

"**Eligible Institution**" means:

(a) at any time before the Co-Owner Implementation Date, an "Eligible Institution" as defined in the Indenture; and

(b) at any time on or after the Co-Owner Implementation Date, an "Eligible Institution" as defined in the applicable Co-Owner Agreement;

"**Fair Hydro Variance Account**" means the variance account established by the IESO pursuant to ~~subsection~~**Section** 24(1) of the Act;

~~"**Finance Reserve Deposit**" has the meaning ascribed to the term "finance reserve deposit" in the Regulations;~~

"**Financing Entity**" has the meaning ascribed to the term "financing entity" in the Act;

~~"**Financing Entity Expenses**" has the meaning ascribed to the term "financing entity expense" in the Regulations;~~

~~"**Funding Cost**" has the meaning ascribed to the term "funding cost" in the Regulations;~~

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act;

~~["**Funding Rebate**" has the meaning ascribed thereto in Section 3.4(b);]~~**[NTD: Terminology and provisions relating to IESO payment of carrying costs during the moratorium period subject to finalization of regulations creating this obligation.]**

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

"**IESO**" or "**Independent Electricity System Operator**" means the Independent Electricity System Operator, a statutory corporation without share capital established by the *Electricity Act*, *1998*, SO, 1998;

[NTD: The Issuer may at some point have to publicly file this Agreement, and a copy of it will be circulated to the rating agencies. Therefore, it seems prudent not to include IESO bank account details in the Agreement.]

"**IESO Deferral**"~~, at any time, means the amount determined by the IESO under subsection 23(1) of the Act and sections 15 and 16 of the Regulations and recorded by the IESO under subsection 24(1) of the Act in the Fair Hydro Variance Account at such time~~ **has the meaning ascribed to the term "IESO deferral" in the Act**;

"**IESO Disclosure**" has the meaning ascribed thereto in Section 5.7;

"**IESO Segregated Account**" **has the meaning ascribed thereto in Section** means the account established under Section ~~3.3~~**3.4**(a);

"**Indemnified Losses**" has the meaning ascribed thereto in Section 6.1(a);

"**Indemnified Party**" has the meaning ascribed thereto in Section 6.1(a);

"**Indenture**" means the master trust indenture dated ■, 2017 between the Indenture Trustee and the Issuer;

"**Indenture Trustee**" means ■, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee for the benefit of Specified Creditors, or any successor thereto, under the Indenture;

"**Insolvency Event**" means, with respect to a specified Person, the specified Person admits the inability of such specified Person to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of such specified Person or otherwise acknowledges the insolvency of such specified Person or any proceeding shall be instituted by or against such specified Person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization,

moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, trustee or other similar official for such specified Person or for any substantial part of its property and if such proceeding has been instituted against such specified Person either such proceeding has not been stayed or dismissed within **[45]** days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part, or if a receiver is privately appointed in respect of such specified Person or of the property of such specified Person or any substantial part thereof;

"**Investment Asset**" has the meaning ascribed to the term "investment asset" in the Act;

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act;

"**Issuer**" means ■, a trust formed under the laws of the Province of Ontario;

"**Issuer Funding Obligations**" means the Funding Obligations of the Issuer;

"**Issuer Investment Interest**" means, initially, the Investment Interest acquired by the Issuer pursuant to the first Transfer completed under this Agreement and, upon the completion of each Transfer thereafter, the cumulative Investment Interest acquired by the Issuer;

"**Issuer Share**" means:

(a) at any time before the Co-Owner Implementation Date, 100%; and

(b) at any time on or after the Co-Owner Implementation Date, the percentage determined in accordance with the applicable Co-Owner Agreement;

"**Issuer Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Issuer at such time;

"**Lien**" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind;

"**Management Agreement**" means the management agreement dated ■, 2017 between the Manager and the Issuer;

"**Manager**" means OPG, in its capacity as manager of the Issuer, and any successor appointed in accordance with the Management Agreement;

"**Minister**" means the Minister of Energy or such other member of the Executive Council as may be assigned the administration of the Act under the *Executive Council Act*;

"**Monthly ~~Funding Expenses~~Carrying Costs**" has the meaning ascribed thereto in Section ~~3.4~~3.14(~~a~~b);

"**Monthly ~~Funding Rebate~~Carrying Costs Statement**" has the meaning ascribed thereto in Section ~~3.4~~3.14(~~a~~b);

~~25847049.5~~**24817972.2**

"**Monthly Report**" has the meaning ascribed thereto in Section ~~3.3~~**3.5**(~~e~~**a**);

"**Officer's Certificate**" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section **[10.01]** of the Indenture, and delivered to the Indenture Trustee;

"**OPG**" means Ontario Power Generation Inc., a corporation established under the laws of the Province of Ontario;

"**Opinion of Counsel**" means one or more written opinions of counsel, ~~who may, except as otherwise expressly provided in the Program Agreements, be employees of or counsel to the party providing such opinion of counsel,~~ which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party;

~~"**Outstanding Amount**" means the aggregate principal amount of all Funding Obligations outstanding at the date of determination;~~

"**Permitted Successor**" means any successor to the IESO under the Act, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, conversion, acquisition, sale or transfer, by operation of law, as a result of any restructuring, or otherwise, but only to the extent such successor is approved by the Minister;

"Permitted Transfer" means (i) a Transfer to the Issuer pursuant to this Agreement; and (ii) a Transfer to a person who has entered into a Co-Owner Agreement with, inter alia, the Issuer.

"**Person**" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority;

"**Proceeding**" means any suit in equity, action at law or other judicial or administrative proceeding;

"**Program Agreements**" ~~means the Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Administrative Services Agreement, this Agreement, each Transfer Notice, any Co-Owner Agreements, the Provincial Protection and Assurances Agreement and any hedging agreements, credit enhancement agreements, loan agreements and underwriting or agency agreements in effect at such time and all other documents and certificates delivered in connection therewith;~~**has the meaning ascribed thereto in the Indenture;**

~~"**Provincial Protection and Assurances Agreement**" means the Provincial Protection and Assurances Agreement dated as of ■, 2017 between **[Her Majesty the Queen in Right of Ontario, as represented by the Minister, the Indenture Trustee and the Issuer]**[NTD: **Subject to finalization of agreement**];~~

"**Purchase Price**" has the meaning ascribed thereto in Section 2.1(a);

"**Rating Agency**" has the meaning ascribed thereto in the Indenture;

"**Rating Agency Condition**" has the meaning ascribed thereto in the Indenture;

"**Records**" has the meaning ascribed thereto in Section 7.1;

~~"**Reference Period**" has the meaning ascribed to the term "reference period" in the Act;~~

"**Regulations**" means Ontario Regulation 206/17: General, together with any other regulations promulgated under the Act;

"**Regulatory Asset**" has the meaning ascribed thereto in the recitals;

"**Released Parties**" has the meaning ascribed thereto in Section 6.1(~~e~~**f**);

"**Remittance Date**" means, in respect of each Billing Period, the **[3rd]**[2] ~~Servicer~~ Business Day following the last day of each Billing Period;

"Required Servicer Rating" means ■; [NTD: Definition to tie to loss of investment grade credit rating.]

"**Requirement of Law**" means any foreign, Canadian federal, provincial or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law;

"**Responsible Officer**" means, with respect to: (a) the Issuer, any authorized director or officer of the Manager; (b) the Servicer, any authorized director or officer of the IESO; (c) a Successor Servicer, any authorized director or officer of the Successor Servicer; and (d) the Indenture Trustee, any officer ~~within the Corporate Trust Office~~ of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject);

"**Servicer**" means the Independent Electricity System Operator, as Servicer under this Agreement, or any Successor Servicer to the extent permitted under this Agreement;

~~"**Servicer Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obligated by law, regulation or executive order to be closed, on which the Servicer maintains normal office hours and conducts business;~~

"**Servicer CEA ~~Collections~~Receipts**" has the meaning ascribed thereto in Section ~~3.2(a)(ii~~**3.4(e**);

[2] ~~Based on the monthly payment cycle charts prepared by OPG.~~

"**Servicer Default**" has the meaning ascribed thereto in Section 7.1;

"**Specified Consumer**" has the meaning ascribed to the term "specified consumer" in the Act;

"**Specified Creditors**" has the meaning ascribed thereto in the Indenture;

"**Specified Portion**" means, in respect of the Regulatory Asset and any Transfer, the portion of the Regulatory Asset subject to such Transfer, as set out in the applicable Transfer Notice.

"**Successor Servicer**" has the meaning ascribed thereto in Section **[3.07(e)]** of the Indenture;

"**Supplemental Indenture**" means an indenture supplemental to the Indenture that authorizes the incurrence of Funding Obligations;

~~"**Tax Liability**" has the meaning ascribed to the term "tax liability" in the Regulations;~~

~~"**Tax Refund**" has the meaning ascribed to the term "tax refund" in the Regulations;~~

"**Termination Event**" has the meaning ascribed thereto in Section ~~3.11~~■;

"**Termination Notice**" has the meaning ascribed thereto in Section 7.1;

"**Transfer**" has the meaning ascribed to the term "transfer" in the Act, and "**Transferred**" has a corresponding meaning;

"**Transfer Notice**" means a Transfer Notice in respect of a Transfer substantially in the form of Exhibit A to this Agreement and delivered pursuant to Section 2.1(a) of this Agreement; and

"**Transferor**" means the Independent Electricity System Operator, as transferor under this Agreement;

1.2 Sections and Headings[~~3~~2]

The table of contents does not form part of this Agreement. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

(a) Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. A reference to any agreement, instrument or declaration

[~~3~~2] Torys to conform boilerplate provisions, as applicable, across all transaction documents.

means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or replaced from time to time.

(b) The term "**including**" means "including without limitation", and other forms of the verb "**include**" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated, in the computation of a period of time from a specified date to a later specified date, the word "**from**" means "**from and including**" and each of the words "**to**" and "**until**" means "**to but excluding**".

(e) The words "**hereof**", "**herein**" and "**hereunder**" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, unless otherwise specified. References to Articles, Sections, Appendices and Exhibits in this Agreement are references to Articles, Sections, Appendices and Exhibits in or to this Agreement unless otherwise specified.

(f) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor.

(g) The word "**will**" shall be construed to have the same meaning and effect as the word "**shall**". The word "**or**" is not exclusive.

ARTICLE 2
TRANSFER OF SPECIFIED PORTIONS OF THE REGULATORY ASSET

2.1 Transfer Notices and Agreement to Transfer a Specified Portion of the Regulatory Asset

(a) The Transferor may, no more frequently than monthly and no later than the 8th Business Day of ~~each~~**any** calendar month, ~~provide~~**offer** to **Transfer to** the Issuer a **Specified Portion of the Regulatory Asset by providing to the Issuer a** Transfer Notice executed by the Transferor and setting out (i) the ~~specified~~

~~portion~~**Specified Portion** of the Regulatory Asset that the Transferor ~~desires~~**is offering** to Transfer to the Issuer, (ii) the consideration to be paid to the Transferor by the Issuer for the Transfer (the "**Purchase Price**") which shall be equal to the amount of ~~the specified portion~~**such Specified Portion** of the Regulatory Asset ~~that the Transferor proposes to Transfer to the Issuer~~, (iii) the Closing Date to effect such transfer which shall be **no earlier than** the ~~10~~**[5th]** Business Day ~~following~~**after the** delivery of the **Transfer Notice and no later than the last Business Day of the calendar month in which the** Transfer Notice **was delivered**, or such other ~~date~~**Business Day** as may be agreed ~~upon~~ by the Transferor and the Issuer, and (iv) such other information as required in the form of Transfer Notice attached as Exhibit A hereto.

~~(b)~~ ~~**[The Issuer shall use commercially reasonable efforts to provide reasonable notice to the Transferor if the Issuer has reasonable cause to believe that it will not accept a Transfer Notice sent by the Transferor or that the conditions precedent in Sections 2.2(b)(i), (v), (vi), (vii), (viii) and (vii) will not be satisfied on the relevant Closing Date.][NTD: Subject to review by OPG.]**~~

(b) ~~(c)~~ On or before the 2nd Business Day following receipt of a Transfer Notice, the Issuer shall have the right, but not the obligation, to accept the Transferor's offer to Transfer the ~~portion~~**Specified Portion** of the Regulatory Asset subject to the Transfer Notice by executing and returning such Transfer Notice to the Transferor. Upon acceptance by the Issuer of the Transfer Notice, there shall be a binding agreement for IESO to Transfer the ~~specified portion~~**Specified Portion** of the Regulatory Asset and for the Issuer to pay the Purchase Price, subject to satisfaction of all conditions precedent in Section 2.2.

~~(d) In consideration and as an inducement for the Issuer to acquire the Investment Interest at the Purchase Price, the Transferor shall, concurrently with each such Transfer and in accordance with Section 3.4, agree to pay to the Issuer all Monthly Funding Expenses that are incurred by or on behalf of the Issuer in connection with each applicable Transfer in respect of each calendar month in which there are no Clean Energy Adjustments billed to Specified Consumers.~~

(c) ~~(e)~~ Provided that all conditions precedent set out in Section 2.2 have been satisfied on or prior to the applicable Closing Date, on the applicable Closing Date, the Issuer shall deliver or cause to be delivered to the Transferor, by **bank** wire transfer **or bank electronic funds transfer,** in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set forth in the applicable Transfer Notice. **The Transferor agrees that receipt by the Transferor of the payment referred to in this Section 2.1(c) is receipt by the Transferor of a payment referred to in Section 26(3) of the Act.**

(d) ~~(f) Upon receipt by the Transferor of the payment referred to in Section 2.1(e):~~ **Upon receipt by the Transferor of the payment referred to in Section 2.1(c),** the Transferor shall reduce the balance of the Fair Hydro Variance Account by an

amount equal to the Purchase Price **received and shall retain no further right, title or interest in the corresponding Issuer Investment Interest.**

~~(i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price and, as a consequence, the Regulatory Asset shall be adjusted accordingly; and~~

~~(ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any adverse claim, and in accordance with section 27(1) of the Act, shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Issuer.~~

~~(g) Any Transfer of a specified portion of the Regulatory Asset by the Transferor pursuant to this Agreement shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Issuer, shall be treated as a true sale and not as a pledge of or secured transaction relating to the Transferor's right, title, and interest in, to, and under the specified portion of the Regulatory Asset. After giving effect to a Transfer contemplated hereby, the Transferor shall have no right, title or interest in, to or under the corresponding Investment Interest because (i) it has Transferred all of its right, title and interest in and to the corresponding specified portion of the Regulatory Asset to the Issuer, (ii) as provided in the Act, all right, title and interest to the corresponding Investment Interest shall be vested in the Issuer, (iii) as provided in the Act, such Transfer is perfected, vested, valid and binding as against the Transferor and all other Persons who may have claims of any kind against the Transferor, regardless of whether the Persons who have claims have received notice of the Transfer, and (iv) the property rights and interests acquired by the Issuer shall be free and clear of any Liens arising through the IESO.~~

(e) The parties intend that this Agreement, together with each Transfer Notice accepted by the Issuer, constitute an agreement, for purposes of Section 27(2) of the Act for the Transferor to dispose, upon receipt by the Transferor of the payment referred to in Section 2.1(d), of a Specified Portion of the Regulatory Asset and to assign, convey or sell a corresponding Investment Interest to the Issuer.

2.2 Conditions Precedent to each Transfer of a Specified Portion of the Regulatory Asset

(a) The obligation of the Issuer to pay the Purchase Price related to the initial Transfer of a ~~specified portion~~**Specified Portion** of the Regulatory Asset shall be subject to the satisfaction by the Transferor, or waiver by the Issuer and the Indenture Trustee, of the following ~~condition~~**conditions**:

(i) the Issuer and the Indenture Trustee shall have received from the Transferor the following documents, in form and substance satisfactory to each of the Issuer and the Indenture Trustee:

(A) a certificate of an officer of the IESO, dated the initial Closing Date certifying (1) that attached thereto is a true and complete copy of the by-laws of the IESO, each as in effect on the date of such certificate, (2) that attached thereto is a true and complete copy of a resolution adopted by the IESO's board of directors authorizing the execution, delivery and performance of this Agreement and the ~~Program Agreements to which~~**performance by** the IESO ~~is party~~**of its obligations hereunder**, and that such resolution has not been modified, rescinded or amended and is in full force and effect, and (3) as to the incumbency and true specimen signature of each of the IESO officers **or delegates** executing this Agreement ~~or any of the Program Agreements to which the IESO is party~~**and authorized to give notices and instructions hereunder (which can be changed by notice hereunder)**; and

(B) ~~reports showing the results of searches conducted against the IESO under applicable personal property security registers in the Province of Ontario together with executed copies of all discharges or releases of prior security interests relating to the Regulatory Asset subject to the Transfer; provided that the IESO may establish that any particular registration does not affect the Regulatory Asset by delivering a letter or acknowledgment signed by the applicable secured party.~~the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them**. [NTD: Scope of opinions required to be confirmed by the Dealers and their counsel]**

(b) The obligation of the Issuer to pay the Purchase Price related to each Transfer of a ~~specified portion~~**Specified Portion** of the Regulatory Asset (including the initial Transfer) shall be subject to the satisfaction or waiver by the Issuer and the Indenture Trustee of each of the following conditions:

(i) as of the applicable Closing Date, all Program Agreements shall have been entered into on terms and conditions satisfactory to the Issuer and the Indenture Trustee and shall be in full force and effect as of such Closing Date;

(ii) as of the applicable Closing Date, no Insolvency Event in respect of the Transferor shall have occurred and the Transferor ~~is not insolvent and will not have been made insolvent by such Transfer and the Transferor~~ is not aware of any pending ~~insolvency~~**Insolvency Event** with respect to itself;

(iii) as of the applicable Closing Date, (A) the representations and warranties of the IESO in this Agreement must be true and correct with the same force and effect as if made on that date (except to the extent they relate to an earlier date), (B) no breach of any covenant or agreement of the IESO contained in this Agreement shall have occurred ~~and not been waived~~**be continuing**, and (C) no Servicer Default shall have occurred and ~~not been waived~~**be continuing**;

(iv) on or prior to the applicable Closing Date, the Transferor shall have taken all action required to provide for the Transfer, upon payment of the Purchase Price, of the ~~specified portion~~**Specified Portion** of the Regulatory Asset as set forth in the applicable Transfer Notice on the Closing Date, free and clear of all Liens other than Liens created by the Issuer pursuant to the Program Agreements;

(v) the Transferor shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate confirming the satisfaction of each condition precedent specified in Sections 2.2(b)(i), (ii), (iii) and (iv);

~~(vi) the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them [NTD: Scope of opinions required to be confirmed by the Dealers and their counsel];~~

(vi) ~~(vii)~~ as of the applicable Closing Date, (A) the Issuer shall have sufficient funds available to pay the Purchase Price as set forth in the applicable Transfer Notice, (B) all conditions to any incurrence of Funding Obligations intended to provide such funds set forth in the Indenture (and any applicable Supplemental Indenture) or other instrument shall have been satisfied or waived, (C) the Rating Agency Condition in respect of the issuance of the Funding Obligations funding the payment of the Purchase Price shall have been satisfied, and (D) the Funding Obligation required to fund the payment of the Purchase Price shall have been issued at the same time as, or prior to, the Transfer; and

(vii) ~~(viii)~~ after giving effect to the Transfer, each of the Fair Hydro Variance Account and the Regulatory Asset will have a balance or amount, as applicable, equal to or greater than zero.

ARTICLE 3
ROLE OF THE SERVICER

3.1 Designation of Servicer

Each Transfer of a specified portion of the Regulatory Asset shall be made on the basis that the related Issuer Investment Interest shall be ~~fully~~ serviced by the Servicer **in**

accordance with this Article 3, and the IESO or any Permitted Successor of the IESO that is the Servicer shall not be entitled to receive any further compensation from the Issuer ~~or the Indenture Trustee~~ for its services in connection therewith. The Servicer ~~acknowledges the responsibility of the Servicer for servicing the related Issuer Investment Interest corresponding to the specified portion of the Regulatory Asset Transferred by the Transferor under this Agreement and hereby~~ agrees to perform the duties and obligations of the Servicer pursuant to the terms hereof at no additional cost to the Issuer.

3.2 ~~**Duties of Servicer Generally**~~**Forecast of Electricity Consumption**

~~(a)~~ ~~The Servicer shall:~~

~~(i)~~ ~~issue settlement statements to Electricity Vendors that include amounts in respect of the Clean Energy Adjustment as prescribed by the Act and the Regulations;~~

~~(ii)~~ ~~receive from Electricity Vendors amounts in respect of Electricity Vendor CEA Collections including payments made directly to the IESO as an Electricity Vendor (such amounts received being "**Servicer CEA Collections**");~~

~~(iii)~~ ~~hold and remit Servicer CEA Collections in accordance with Section 3.3;~~

~~(iv)~~ ~~receive information from Electricity Vendors in respect of CEA Consumer Invoice Amounts and Electricity Vendor CEA Collections and such other information as the IESO may reasonably request for the purposes of determining the IESO Deferral or such further information as may be required;~~

~~(v)~~ ~~determine and record the IESO Deferral for each month and make any necessary corrections thereto in accordance with the Act and the Regulations;~~

~~(vi)~~ ~~forecast electricity demand by Specified Consumers for Reference Periods;~~

The IESO shall:

(a) ~~(vii)~~ provide ~~information~~ to the Board ~~in respect of forecast electricity demand or any other information the Board may require from the Servicer to facilitate the Board's determination of the rates at which~~**and the Financial Services Manager the forecasts of electricity consumption by** Specified Consumers ~~are to be invoiced so as to enable full recovery of the Clean Energy Adjustment in respect of any Reference Period;~~ **as contemplated by Section 8(3) of the Regulations; and**

~~(viii)~~ ~~respond to inquiries by Electricity Vendors, the Board or any other Governmental Authority with respect to the Clean Energy Adjustment;~~

~~(ix) investigate and handle delinquencies by Electricity Vendors regarding Servicer CEA Collections (and furnish reports with respect to such delinquencies to the Issuer);~~

~~(x) process and deposit Servicer CEA Collections and make periodic remittances to the Issuer in accordance with Section 3.3;~~

~~(xi) furnish periodic and current reports to the Issuer, the Board, the Indenture Trustee and the Rating Agencies, as may reasonably be required by the Issuer;~~

~~(xii) take all necessary action in connection with Funding Rebates as set forth herein and in the Regulations; and~~

~~(xiii) perform such other duties as may be reasonably required from time to time to be performed by it.~~

(b) ~~Without limiting the generality of Section 3.2(a), in furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with, the duties and responsibilities relating to data acquisition, consumption and settlement statement calculation, settlement, collections, posting, payment processing and remittance with reasonable care and in material compliance with each applicable Requirement of Law, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to similar assets for its own account and, if applicable, for others.~~**provide to the Board and the Financial Services Manager such other information and reports as the Board or the Financial Services Manager may reasonably request in connection with the calculation of the Clean Energy Adjustments and which is reasonably available to the Transferor without incurring material incremental expense.**

~~(c) Notwithstanding anything to the contrary in this Agreement, the duties of the Servicer set forth in this Agreement shall be qualified and limited in their entirety by the Act, the Regulations, all applicable laws and the rules and regulations promulgated thereunder as in effect at the time such duties are to be performed.~~

3.3 ~~Remittances~~ISO Deferral

~~(a)~~ The **IESO shall:**

(a) determine the IESO Deferral as required by Section 23 of the Act and the Regulations; and

(b) maintain the Fair Hydro Variance Account as required by Section 24 of the Act and the Regulations.

~~25847649.5~~

3.4 Clean Energy Adjustments and Electricity Vendors

The Servicer shall:

(a) **prior to receiving** Servicer ~~shall~~**CEA Receipts,** establish an Eligible Deposit Account (the "**IESO Segregated Account**") bearing a designation ~~clearly~~ indicating that the funds deposited therein are held in trust for the benefit of the **Issuer and, after the Co-Owner Implementation Date, for the benefit of any other owner or** owners of **an** Investment ~~Interests~~**Interest**. If at any time the IESO Segregated Account ceases to be an Eligible Deposit Account, the Servicer shall within 30 days establish a new IESO Segregated Account as an Eligible Deposit Account and shall transfer any cash and/or any investments held in the former account to such new account and make all future deposits to such new account~~.~~**;**

(b) **prior to the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, make reasonable efforts to work with each Electricity Vendor to:**

(i) **establish a segregated account into which Electricity Vendor CEA Collections are to be deposited as required by Section 10(2) of the Regulations;**

(ii) **settle a form of Electricity Vendor Billing Period Report to be used by such Electricity Vendor; and**

(iii) **establish procedures for the invoicing by such Electricity Vendor of amounts in respect of the Clean Energy Adjustment, the identification, deposit and segregation of Electricity Vendor CEA Collections, the remittance of Electricity Vendor CEA Collections to the Servicer and reporting to the Servicer; [NTD: Generally, someone will need to take responsibility for educating the Electricity Vendors and we believe the IESO is best positioned to take on this role given its existing relationships and opportunities to interact with the EVs.]**

(c) **request certification from each Electricity Vendor that the segregated account required by Section 10(2) of the Regulations has been established by that Electricity Vendor;**

(d) **as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive Electricity Vendor CEA Collections from Electricity Vendors;**

(e) **as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive any amounts in respect of Clean Energy Adjustments payable directly by Specified Consumers to the Servicer (such amounts, together with the amounts referred to in Section 3.4(d), the "Servicer CEA Receipts");**

(f) ~~(b) The Servicer shall~~ deposit ~~all~~**the** Servicer CEA ~~Collections~~**Receipts** into the IESO Segregated Account promptly following receipt by the Servicer and, in any event, within **[**two ~~Servicer~~ Business Days**]** of receipt by the Servicer and **the Issuer Share of** such Servicer CEA ~~Collections~~**Receipts** shall remain in the IESO Segregated Account until remitted in accordance with Section ~~3.3(d)~~ **3.6;**

(g) respond to inquiries by Electricity Vendors **with respect to the Clean Energy Adjustment and amounts payable in respect thereof;**

(h) **request from each Electricity Vendor an Electricity Vendor Billing Period Report in respect of each Billing Period during which Clean Energy Adjustments are billed to Specified Consumers; such report to be requested to be delivered within ■ Business Days of the end of each Billing Period;**

(i) **review each Electricity Vendor Billing Period Report received by the Servicer for material manifest discrepancies including any discrepancy between the Electricity Vendor CEA Collections reported in respect of the Billing Period and the amount remitted pursuant to Section 3.4(d);**

(j) **make reasonable efforts to contact each Electricity Vendor that:**

(i) **does not deliver an Electricity Vendor Billing Period Report in respect of a Billing Period where Clean Energy Adjustments were payable by Specified Consumers;**

(ii) **does not remit any Electricity Vendor CEA Collections in accordance with Section 3.4(d) or remits Electricity Vendor CEA Collections that do not match the amount thereof reported in its Electricity Vendor Billing Period Report,**

(iii) **delivers an Electricity Vendor Billing Period Report that has any other material manifest discrepancy detected by the Servicer, or**

(iv) **does not certify that it has established the segregated account required by Section 10(2) of the Regulations,**

and attempt to resolve the applicable issue;

(k) **on a periodic basis as requested by the Issuer, review, pursuant to its rights under Section 10(4) of the Regulations, the records maintained by each Electricity Vendor with respect to Clean Energy Adjustments; provided that in the absence of evidence of material non-compliance by an Electricity Vendor with its duties and obligations in respect of Clean Energy Adjustments, the Servicer shall not be required to review the records of a Electricity Vendor more often than ■.**

(l) ~~(c) The IESO agrees and acknowledges that it holds all~~**hold the Issuer Share of** Servicer CEA ~~Collections~~**Receipts** and **the Issuer Share of** any other proceeds in

respect of the Clean Energy Adjustment received by it in trust for the benefit of the Issuer, any other owner of Investment Interests, the Indenture Trustee and the Specified Creditors and that all such amounts will be remitted by the Servicer and remit such amounts in accordance with this Section 3.3 3.6 without any surcharge, fee, offset, charge or other deduction.

3.5 Reporting

The IESO further agrees not to make any claim to reduce its obligation to remit all Servicer CEA Collections received by it in accordance with this Agreement. Servicer shall:

(d) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA Collections received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period. Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA Collections on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account on each Servicer Business Day.

(a) (e) On on or before the **[2nd] Servicer 8th Business Day]** following the end of each Billing Period, the Servicer shall prepare and deliver to the Issuer, the Indenture Trustee and the Rating Agencies a written report substantially in the form of Exhibit B (a "**Monthly Report**"). ;

3.4 [Funding Rebates]

[NTD: Terminology and provisions relating to IESO payment of carrying costs during the moratorium period subject to finalization of regulations creating this obligation.]

(b) report to the Issuer any delinquencies by Electricity Vendors in respect of the CEA amounts collected and the remittance of Electricity Vendor CEA Collections;

(c) (a) On or before the **[4th]** Servicer Business Day following the end of each calendar month in which no Clean Energy Adjustment is billed to Specified Consumers, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of Exhibit C (a "**Monthly Funding Rebate Statement**") setting out the aggregate amount of all (i) Funding Costs, (ii) Finance Reserve Deposits, (iii) Financing Entity Expenses, and (iv) Tax Liabilities (net of Tax Refunds), that were incurred by or on behalf of the Issuer during the previous calendar month ("**Monthly Funding Expenses**"). report to the Issuer any unresolved matters referred to in Section 3.4(j);

(b) On or before the **[10th]** Servicer Business Day following receipt by the IESO of the Monthly Funding Rebate Statement, the IESO shall, as required by the Regulations, deliver or cause to be delivered to the Issuer, by wire transfer in

~~immediately available funds, an amount in Canadian dollars equal to the Monthly Funding Expenses set forth in the applicable Monthly Funding Rebate Statement (the "**Funding Rebate**").~~

~~**3.5 Reporting Functions**~~

(d) ~~(a) Notification of Laws and Regulations. The Servicer shall~~ promptly notify the Issuer in writing of any Requirement of Law hereafter adopted or announced or the occurrence of any other event or circumstance **of which it becomes aware** that has a material adverse effect on the Servicer's ability to perform its duties and obligations under this Agreement~~.~~**; and**

(e) ~~(b) Other Information. Upon~~**upon** the reasonable request of the Issuer, the Indenture Trustee or any Rating Agency, ~~the Servicer shall~~ provide to the Issuer, the Indenture Trustee or such Rating Agency, as the case may be, any public financial information in respect of the Servicer, or any material information regarding the **Issuer** Investment Interest or the Regulatory Asset**,** to the extent it is reasonably available to the Servicer~~,~~ **and** as may be reasonably necessary and permitted by law**,** to enable the Issuer, the Indenture Trustee or the Rating Agencies to monitor the performance by the Servicer of its duties and obligations hereunder. ~~In addition, the Servicer shall provide the Issuer and the Indenture Trustee, within a reasonable time after written request therefor, any information available to the Servicer or reasonably obtainable by it that is necessary to calculate the Clean Energy Adjustment.~~

3.6 Remittances

(a) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA **Receipts** received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period.

(b) Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA **Receipts** on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account **on each Business Day.**

3.7 Limits to Obligations

Without in any way limiting the duties and obligations of the Servicer arising under the Act or the Regulations, the parties hereto agree the duties and obligations of the Servicer under this Agreement are limited as provided in this Section 3.7.

(a) **The Servicer is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from their customers or not remitted by Electricity Vendors to the Servicer.**

(b) **The Servicer is not responsible for enforcing the obligations of Specified Consumers or Electricity Vendors to invoice, collect or remit Clean Energy Adjustments or any other amounts.**

(c) **The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations including (i) the invoicing of** Specified Consumers in respect of the Clean Energy Adjustment and ancillary matters related thereto; (ii) **the collection from Specified Consumers of amounts due** in respect of such invoices and **the remittance of such payments to the Servicer; (iii) the accuracy of any information provided by the Electricity Vendors; and (iv) any reporting by the Electricity Vendors, including the reporting to the Servicer of the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and the Issuer Share of Electricity Vendor CEA Collections received by such Electricity Vendor.**

(d) **The Servicer is under no responsibility or obligation to the Issuer with respect to whether the Clean Energy Adjustments funds remitted by the Servicer to Issuer during any or all periods is sufficient to satisfy the Issuer's obligations.**

(e) **The Servicer is under no obligation to initiate or prosecute any legal action relating to the collection of the Issuer Investment Interest.**

3.8 ~~3.6~~ **Servicing and Maintenance Standards**

(a) The Servicer shall ~~monitor payments and impose collection policies on Electricity Vendors with respect to Electricity Vendor CEA Collections. On behalf of the Issuer, the Servicer shall: (a) manage, service, administer, collect and receive Servicer CEA Collections with reasonable care and in material compliance with each applicable Requirement of Law, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to the collection of other amounts from Electricity Vendors for its own account and, if applicable, for others; (b) follow standards, policies and procedures in performing its duties as Servicer that are customary for an electricity market operator and administrator that regularly performs settlement functions; (c) use all reasonable efforts, consistent with its customary servicing procedures, to receive and hold Servicer CEA Collections in trust for the benefit of the Issuer; (d) comply with each Requirement of Law, including all regulations and guidelines, applicable to and binding on it relating to its duties hereunder; and (e) provide all information to the Board as required by the Act and the Regulations. The Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of all or any portion of the Investment Asset and the Issuer Investment Interest, which may include, at the direction of the Issuer, the taking of legal action, at the Issuer's expense but subject to the priority~~

~~of payments set forth in **[Section 8.02(e)]** of the Indenture. In no event shall the Issuer Investment Interest be set off at any time by the IESO or any Permitted Successor thereof in connection with any default by such Person or otherwise.~~**discharge its duties, responsibilities and obligations hereunder with reasonable care and in material compliance the Requirements of Law, including the Act and the Regulations and shall follow standards, policies and procedures in performing its duties as Servicer hereunder that are customary for an electricity market operator and administrator that regularly performs settlement functions. In** furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with **reasonable care and in material compliance with applicable Requirement of Laws**, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to **similar settlement activities on its own account.**

~~**3.7 Binding Effect of Servicing Obligations**~~

(b) **The** Servicer may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising under this Agreement.

(c) **Neither** the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment**.**

3.9 Appointments

The Servicer may at any time appoint any Person to **act as its agent to perform all or any portion of its obligations as Servicer hereunder; provided** however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided **further that the Servicer shall remain obligated and be liable for the performance of its obligations under this Agreement** without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were **performing such obligations**. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, **and the Issuer shall not** have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section **3.11.**

3.10 Term

The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under **Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off** (in each case, a "**Termination**

~~25847049.5~~**24817972.2**

Event"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.

3.11 Resignation of Servicer

The IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and the Rating Agencies at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and the Rating Agencies concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.12 Mergers

~~The obligations to continue to provide services and to receive and account for Servicer CEA Collections and related amounts will be binding upon the Servicer and any Permitted Successor so long as the Servicer CEA Collections have not been fully received and posted.~~ Any Person (a) into which the Servicer may be merged, converted or amalgamated and that is a Permitted Successor, (b) that may result from any merger, conversion or amalgamation to which the Servicer shall be a party and that is a Permitted Successor, (c) that may succeed to the properties and assets of the Servicer substantially as a whole and that is a Permitted Successor, or (d) that otherwise is a Permitted Successor, which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Servicer hereunder, shall be the successor to the Servicer under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 4.1 shall have been breached and no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, (ii) the Servicer shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger or succession and such agreement of assumption complies with this Section ~~3.7~~**3.12** and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (iii) the Servicer shall have given to the Issuer prior written notice of such transaction. When any Person that is a Permitted Successor acquires the properties and assets of the Servicer substantially as a whole or otherwise becomes the successor, by merger, conversion, consolidation, sale, transfer, lease or otherwise, to all or substantially all the assets of the Servicer in accordance with the terms of this Section ~~3.7~~**3.12**, then, upon satisfaction of all of the other conditions of this Section ~~3.7~~**3.12**, the preceding Servicer shall automatically and without further notice be released from all of its obligations hereunder (except for responsibilities for its actions prior to such release).

~~25847049.5~~[illegible]

~~**3.8 Limitation on Liability of Servicer and Others**~~

~~(a) Except as otherwise provided under this Agreement, including Section 6.1, neither the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment; provided, however, that this provision shall not protect the Servicer or any such Person against any liability that would otherwise be imposed by reason of negligence, recklessness or willful misconduct in the performance of duties or by reason of reckless disregard of obligations and duties under this Agreement. The Servicer and any director, officer, employee or agent of the Servicer may rely in good faith on the advice of counsel or on any document of any kind, *prima facie* properly executed and submitted by any Person, respecting any matters arising under this Agreement.~~

~~(b) Except as provided in this Agreement, the Servicer shall not be under any obligation to appear in, prosecute or defend any legal action relating to the Issuer Investment Interest that is not directly related to one of the Servicer's enumerated duties in this Agreement or related to its obligation to pay indemnification, and that in its reasonable opinion may cause it to incur any expense or liability; provided, however, that the Servicer will, at the direction of the Issuer, in respect of any Proceeding, undertake any action that is not specifically identified in this Agreement as a duty of the Servicer but that the Issuer reasonably determines is necessary or desirable in order to protect the rights and duties of the Issuer or the Indenture Trustee under this Agreement and the interests of Specified Creditors under the Indenture.~~

3.13 ~~3.9~~ The IESO Not to Resign as Servicer

Subject to the provisions of Section ~~3.7~~**3.12**, the IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and each Rating Agency at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and each Rating Agency concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

~~**3.10 Appointments**~~

3.14 IESO Regulatory Obligation to Pay Carrying Costs

(a) ~~Subject to Section 3.10(b), the~~ Servicer ~~may at any time appoint any Person to perform all or any portion of its obligations as Servicer hereunder; provided, however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided, further, that the Servicer shall remain obligated and be liable under this Agreement for the servicing and administering of the Issuer Investment Interest in accordance with the provisions hereof without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Investment Interest. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, and none of the Issuer, the Indenture Trustee, Specified Creditors or any other Person shall have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section 3.9.~~ **During the period beginning on December 1, 2017 and ending on July 31, 2021, the IESO shall, as required under the Regulations, pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs during the period beginning on June 1, 2017 and ending on July 31, 2021.**

(b) ~~The following matters shall be performed by the Electricity Vendors in accordance with the Act and shall not be considered an "appointment" for purposes of Section 3.10(a): (i) invoicing~~ Specified Consumers ~~in respect of the~~ Clean Energy Adjustment and ancillary matters related thereto; ~~(ii) collection from Specified Consumers of payments in respect of such invoices and remittance of such payments to the Servicer; and (iii) reporting to the Servicer the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and such other information the IESO may reasonably request for the purposes of determining the IESO Deferral or such further information as may be required. The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations or in respect of the matters set out in this Section 3.10(b).~~ **On or before the 4th Business Day of each calendar month**, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of **Exhibit C (a "Monthly Carrying Costs Statement") setting out the amount of Carrying Costs in respect of the preceding calendar month ("Monthly Carrying Costs").**

~~**3.11 Effective Period and Termination**~~

(c) **On or before the 8th Business Day following receipt by the IESO of the Monthly Carrying Costs Statement, the IESO shall, as required under** the Regulations, deliver or cause to be delivered to the Issuer, by wire **transfer or electronic funds** transfer in immediately available funds, an amount in Canadian dollars equal to the Monthly **Carrying Costs set forth in the applicable Monthly Carrying Costs Statement.**

3.15 IESO Security for CEA Remittances

~~The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off (in each case, a "**Termination Event**"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.~~**If required by the Issuer, the IESO shall provide to the Issuer, on or prior to the first day of the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, a letter of credit in an amount equal to $■, or such other form of security as may be acceptable to the Issuer and the Indenture Trustee, as security for any failure of Electricity Vendors, following [July 31, 2021], to remit the Electricity Vendor CEA Collections.**

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE IESO

4.1 Representations and Warranties

Subject to Section 4.3, the IESO makes the following representations and warranties as of the date hereof and as of each applicable Closing Date, and the IESO acknowledges that the Issuer and the Indenture Trustee will rely thereon in paying the Purchase Price related to Transfers of ~~specified portions~~**Specified Portions** of the Regulatory Asset, and the Issuer has relied thereon in entering into this Agreement relating to the servicing of the corresponding Investment Interests.

(a) Organization and Good Standing. The IESO is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite **corporate** power and authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it~~, and to execute, deliver and carry out the terms of this Agreement, including, for greater certainty, acting as Servicer in accordance with this Agreement~~.

(b) Due Qualification. The IESO has obtained all necessary licences and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including acting as Servicer under this Agreement) shall require such licences or approvals, except where the failure to so qualify or obtain such licences and approvals would not be reasonably likely to have a material adverse effect on the IESO's business, operations, assets, revenues or properties, the Regulatory Asset~~,~~ **or** the servicing of related Investment Interests~~, the Issuer or the repayment when due of the Funding Obligations~~.

(c) Power and Authority. The IESO has the requisite **corporate** power and authority to execute and deliver this Agreement and to carry out its terms. The IESO has full corporate power and authority to hold the Regulatory Asset and to Transfer ~~specified portions~~**Specified Portions** of the Regulatory Asset to the Issuer and the IESO has duly authorized such Transfer to the Issuer by all necessary **corporate** action. The execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary **corporate** action on the part of the IESO under all applicable laws.

(d) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the IESO, enforceable against the IESO in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof by the IESO do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time, or both) a default under, the IESO's by-laws, or any indenture, or other material agreement or instrument to which the IESO is a party or by which it is bound, result in the creation or imposition of any Lien upon any of the IESO's properties pursuant to the terms of any such indenture, agreement or other instrument or violate any existing law or any order, rule or regulation applicable to the IESO issued by any Governmental Authority having jurisdiction over the IESO or its properties.

(f) No Proceedings. ~~There are no Proceedings or, to~~**To** the IESO's knowledge, ~~investigations~~**there are no Proceedings** pending or ~~Proceedings~~ threatened~~, before any Governmental Authority having jurisdiction over~~ **against** the IESO or its properties: (a) asserting the invalidity of this Agreement or the Act, (b) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Act, or (c) seeking a determination or ruling that could reasonably be expected to materially and adversely affect the performance by the IESO of its obligations under, or the validity or enforceability of, this Agreement or the Act.

(g) Approvals. No approvals, authorizations, consents, orders or other actions or filings with any Governmental Authority are required for the IESO to execute, deliver and perform its obligations under this Agreement except those which have previously been obtained or made.

(h) Information.~~(i)~~ At the date hereof and as of each applicable Closing Date, **except in respect of information provided by a third party,** all written information, as amended or supplemented from time to time, provided by the Transferor to the Issuer with respect to the Regulatory Asset is true and correct in all material respects and does not omit any material facts.

~~(ii) Each report and certificate delivered in connection with any filing made or information provided to the Board by the IESO in connection with the Act, including on behalf of the Issuer with respect to Clean Energy Adjustments, will constitute a representation and warranty by the IESO that each such report or certificate, as the case may be, is true and correct in all material respects; provided, however, that, to the extent any such report or certificate is based in part upon or contains assumptions, forecasts or other predictions of future events, the representation and warranty of the IESO with respect thereto will be limited to the representation and warranty that such assumptions, forecasts or other predictions of future events are reasonable based upon historical performance (and facts known to the IESO on the date such report or certificate is delivered).~~

(i) The Transfer. ~~On~~**After the completion of the Transfer on** the applicable Closing Date, the ~~specified portion of the Regulatory Asset as set forth in the applicable Transfer Notice shall be validly Transferred to the Issuer and the~~ IESO will have no right, title or interest in the ~~related~~ Investment Interest **related to the Specified Portion of the Regulatory Assets** as set forth in the applicable Transfer Notice and the related Investment Interest shall not form part of the estate of the IESO in the event of an Insolvency Event in respect of the IESO.

(j) No Transfer. Except ~~pursuant to any Co-Owner Agreement, no portion of~~**for Permitted Transfers,** the ~~Regulatory Asset~~**IESO** has ~~been~~**not** sold, transferred, assigned~~,~~ **or otherwise conveyed any interest in the Regulatory Asset to any Person.**

(k) Liens. IESO has not pledged or otherwise ~~conveyed by the IESO~~**granted a Lien** to any Person ~~other than the Issuer or the Indenture Trustee, and,~~**in the Regulatory Asset and** to the IESO's knowledge (after due inquiry), ~~no security agreement,~~**there is no registered** financing statement ~~or equivalent security or lien instrument~~ listing the IESO as debtor covering ~~all or a portion of the Regulatory Asset (or the corresponding Investment Interest upon the Transfer thereof) is on file or of record in any jurisdiction, except such as may have been filed or recorded in favour of the Issuer or the Indenture Trustee in connection with the Program Agreements.~~(k) ~~Title. The IESO is the sole owner of the specified portion of the Regulatory Asset that is to be Transferred to the Issuer on~~

~~the applicable Closing Date, free and clear of all Liens~~**or extending to the Regulatory Asset**.

(l) Tax Liens. ~~After due inquiry, the~~**The** IESO **(i)** is not aware**, after due inquiry,** of any judgment or tax lien filing against the IESO**, and (ii) is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada)**.

(m) Solvency. On the date hereof and after giving effect to each Transfer, the IESO:

~~(i) is solvent and expects to remain solvent;~~

(i) ~~(ii)~~ reasonably believes that it will be able to pay its debts as they come due; and

(ii) ~~(iii)~~ is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

(n) No Court Order. There is no order by any court that seeks to enjoin the performance of any obligations of the IESO under the Act or this Agreement.

4.2 Survival

The representations and warranties set forth in Section 4.1 shall survive the execution and delivery of this Agreement, each Transfer of an Investment Interest to the Issuer and the pledge thereof to the Indenture Trustee pursuant to the Indenture and may not be waived by any party hereto except pursuant to a written agreement executed in accordance with Section 8.1 and as to which the Rating Agency Condition has been satisfied.

4.3 Limitations on Representations and Warranties

Notwithstanding anything in this Agreement to the contrary, the IESO makes no representation or warranty **with respect to the collectability of the Issuer Share of Servicer CEA Receipts or** that the Issuer~~'s~~ Share of Servicer CEA ~~Collections will~~**Receipts** be sufficient to satisfy ~~in full~~ the Issuer's Funding Obligations.

ARTICLE 5
COVENANTS OF THE IESO

5.1 Existence

~~Subject to Section 3.9, so~~**So** long as any **Issuer** Funding Obligations are outstanding, the IESO (a) will keep in full force and effect its existence and remain validly

existing under the laws of the Province of Ontario, and (b) will obtain and preserve its qualifications to do business in each jurisdiction in which such qualification is or will be necessary to protect the validity and enforceability of this Agreement and each other instrument or agreement to which the IESO is a party necessary for the proper administration of this Agreement and the transactions contemplated hereby.

5.2 No Transfer or Liens

Except for ~~(a) the~~ Transfers under this Agreement to the Issuer or ~~any Lien for the benefit of the Specified Creditors or the Indenture Trustee, and (b) following the Co-Owner Implementation Date, Transfers to other Financing Entities who enter into a Co-Owner Agreement with the Issuer and Liens granted in connection therewith to Persons advancing Funding Obligations to such other Financing Entities, the IESO will not sell, pledge, assign or transfer to any other Person, or~~ **Permitted Transfers, the IESO will not Transfer the Regulatory Asset or any portion thereof to any person. The IESO will not** grant, create, incur, assume or suffer to exist any Lien on~~, any portion of~~ the Regulatory Asset~~, whether existing as of the applicable Closing Date or thereafter created, or any interest therein~~ **or any portion thereof**. The IESO will not at any time assert any Lien against or with respect to the Issuer Investment Interest, and will defend the right, title and interest of the Issuer and of the Indenture Trustee, on behalf of the Specified Creditors, in, to and under the Issuer Investment Interest against all claims of third parties claiming through or under the Transferor.

5.3 Notice of Liens

The IESO shall notify the Issuer and the Indenture Trustee promptly after becoming aware of any Lien on any portion of the Regulatory Asset~~, other than the Transfers hereunder and any Lien pursuant to the Program Agreements~~.

5.4 Compliance with Law

The IESO will comply with all Requirements of Law applicable to, and binding upon, the IESO or relating to the Regulatory Asset~~,~~ the Investment Asset or Investment Interests, except to the extent that failure to so comply would not materially adversely affect the Issuer's~~,~~ **or** the Indenture Trustee's ~~or the Specified Creditors'~~ interests in the Issuer Investment Interest~~ under any of the Program Agreements~~, the value of the Issuer Investment Interest, the timing or amount of Clean Energy Adjustments payable by Specified Consumers or the IESO's performance of its obligations under this Agreement; provided, however, that the foregoing is not intended to, and shall not, impose any liability on the IESO for non-compliance with any Requirement of Law that the IESO is contesting in good faith in accordance with its customary standards and procedures.

5.5 Covenants Related to the Investment Interest

(a) So long as any Issuer Funding Obligations are outstanding, the IESO shall treat the Issuer Investment Interest as the Issuer's property for all purposes.

(b) Except for passive investments held for employee benefit purposes, the IESO shall not at any time become a holder of Issuer Funding Obligations ~~other than Funding Rebates~~.

(c) The IESO shall disclose the effects of all transactions between the IESO and the Issuer in accordance with generally accepted accounting principles (for government entities).

~~(d) The IESO agrees that upon completion of a Transfer, the IESO shall reduce the balance in the Fair Hydro Variance Account by the Purchase Price and will adjust the Regulatory Asset accordingly.~~

(d) ~~(e)~~ (i) ~~in~~**In** all Proceedings relating directly or indirectly to the Issuer Investment Interest, the IESO shall affirmatively certify and confirm that it has Transferred all of its rights and interests in and to the ~~specified portion~~**Specified Portion** of the Regulatory Asset giving rise to the Issuer Investment Interest, (ii) the IESO shall not make any statement or reference in respect of the Issuer Investment Interest that is inconsistent with the ownership interest of the Issuer, **and** (iii) the IESO shall not take any action in respect of the Issuer Investment Interest except solely in its capacity as the Servicer thereof pursuant to this Agreement~~, and (iv) the IESO shall not sell any portion of the Regulatory Asset pursuant to the Act to any other Person unless a Co-Owner Agreement has been entered into and the Rating Agency Condition has been satisfied with respect thereto~~.

5.6 Non-petition Covenants

Notwithstanding any prior termination of this Agreement or the Indenture, the IESO shall not, prior to the date that is one year plus one day after termination of the Indenture and the payment in full of all Issuer Funding Obligations and any other amounts owed under the Indenture, petition or otherwise invoke the process of any Governmental Authority for the purpose of commencing or sustaining a Proceeding against the Issuer under any Canadian bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official or any substantial part of the property of the Issuer.

5.7 Disclosure

The IESO shall provide ~~all~~**such non-confidential** information regarding ~~the~~ IESO, the ~~IESO Deferral, the~~ Regulatory Asset ~~or~~**and** the services provided by the Servicer hereunder (collectively, the "**IESO Disclosure**") as may be reasonably requested by the Issuer for

inclusion in any offering document of the Issuer from time to time, including but not limited to offering memoranda, prospectuses, registration statements and continuous disclosure documents and represents that**, except in respect information provided by a third party,** all such information is, **as** at the respective dates of delivery to the Issuer, true and correct in all material respects, contains no misrepresentation and constitutes full, true and plain disclosure of all material facts relating to the IESO Disclosure.

5.8 Further Assurances

Upon the request of the Issuer, the IESO shall execute and deliver such further instruments and do such further acts as may reasonably be necessary to carry out the provisions and purposes of this Agreement.

~~5.9 Co-Owner Agreements~~

~~The IESO shall not continue as or become a party to any purchase and sale agreement or similar arrangement (other than this Agreement) under which it sells all or any portion of the Regulatory Asset unless (i) the Rating Agency Condition shall have been satisfied, (ii) the Indenture Trustee, the Transferor and the other parties to such additional arrangement shall have entered into a Co-Owner Agreement in connection therewith, and (iii) the terms of the documentation evidencing such purchase and sale arrangement or similar arrangement shall expressly exclude the Issuer Investment Interest (including the Issuer Share of any Servicer CEA Collections) from any receivables, rights or other assets pledged or sold under such arrangement and unless the purchaser under such arrangement is a Financing Entity.~~

5.9 ~~5.10~~ Access to Certain Records and Information Regarding Investment Interest

The IESO shall provide to the Issuer and the Indenture Trustee access to all records relating to the IESO Deferral, the Fair Hydro Variance Account, the IESO Segregated Account and Servicer CEA ~~Collections~~**Receipts**, as is reasonably required for the Issuer and the Indenture Trustee to confirm compliance by the IESO with its obligations under this Agreement~~ and any other Program Agreements to which the IESO is a party~~. Access shall be afforded without charge, but only upon reasonable request and during normal business hours at the offices of the IESO. Nothing in this Section ~~5.10~~**5.9** shall affect the obligation of the IESO to comply with any Requirement of Law prohibiting disclosure of information, and the failure of the IESO to provide access to such information as a result of such obligation shall not constitute a breach of this Section ~~5.10~~**5.9**.

5.10 ~~5.11~~ Maintenance of Operations

Subject to Section ~~3.7~~**3.12**, the IESO agrees to continue, unless prevented by circumstances beyond its control, to operate as the electricity system operator in the Province of Ontario ~~in order to provide service~~ so long as it is acting as the Servicer under this Agreement.

ARTICLE 6
IESO INDEMNITIES

6.1 Liability of the IESO; Indemnities

(a) The IESO shall indemnify the Issuer, the Indenture Trustee (for itself and for the benefit of the Specified Creditors), the Manager~~, the Administrative Agent~~ and each of their respective trustees, officers, directors, employees and agents (each, an "**Indemnified Party**"), for, and defend and hold harmless each such Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "**Indemnified Losses**") imposed on, incurred by or asserted against any such Person as a result of (i) the failure of the IESO to perform its covenants and other obligations under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; **and** (ii) the IESO's breach of any of its representations or warranties under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and ~~(iii) any litigation and related expenses relating to the IESO's status and obligations as Servicer (other than any Proceeding the IESO is required to institute under this Agreement)~~, except to the extent of Indemnified Losses resulting from the willful misconduct, bad faith or gross negligence of such Person seeking indemnification hereunder; provided that, in each case, the IESO shall not be required to indemnify an Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any Proceeding or investigation without the written consent of the IESO, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Party of notice ~~(or, in the case of the Indenture Trustee, receipt of notice by a Responsible Officer only)~~ of the commencement of any Proceeding or investigation, such Indemnified Party shall, if a claim in respect thereof is to be made against the IESO under this Section 6.1(a), notify the IESO in writing of the commencement thereof. Failure by an Indemnified Party to so notify the IESO shall relieve the IESO from the obligation to indemnify and hold harmless such Indemnified Party under this Section 6.1(a) only to the extent that the IESO suffers actual prejudice as a result of such failure. With respect to any Proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.1(a), the IESO shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Party, the defence of any such Proceeding or investigation (in which case the IESO shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Party except as set forth below); provided, that the Indemnified Party shall have the right to participate in such Proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the IESO's election to assume the defence of any Proceeding or investigation, the Indemnified Party

shall have the right to employ separate counsel, and the IESO shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the defendants in any such action include both the Indemnified Party and the IESO and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it that are different from or additional to those available to the IESO, (ii) the IESO shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, (iii) the IESO ~~shall authorize~~**authorizes** the Indemnified Party to employ separate counsel at the expense of the IESO, or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the IESO shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Parties other than one local counsel, if appropriate. The IESO will not, without the prior written consent of the Indemnified Party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or Proceeding in respect of which indemnification may be sought under this Section 6.1(a) (whether or not the Indemnified Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising out of such claim or Proceeding.

(b) For purposes of Section 6.1(a), in the event of the termination of the rights and obligations of the IESO (or any successor thereto pursuant to Section ~~3.7~~**3.12**) as Servicer pursuant to Section 7.1, or a resignation by such Servicer pursuant to **Section 3.11 of** this Agreement, the IESO shall be deemed to be the Servicer pending appointment of a Successor Servicer pursuant to Section 7.2.

(c) Indemnification under Section 6.1(a) shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable legal fees and expenses), except as otherwise expressly provided in this Agreement.

(d) Indemnification under this Section 6.1 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Act and shall survive the resignation or removal of the Indenture Trustee or the termination of this Agreement and will rank *pari passu* with other general, unsecured obligations of the IESO. ~~Other than provided in the preceding sentence, the~~

(e) **The** IESO shall not **be required to** indemnify any party under this Section 6.1 for any **losses resulting from** changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision.

~~25847049.5~~

(f) ~~(e)~~ Except to the extent expressly provided in this Agreement (including the payment of the Purchase Price), the IESO hereby releases and discharges the Issuer ~~and the Indenture Trustee,~~ and each of ~~their respective~~**its** trustees, officers, directors and agents (collectively, the "**Released Parties**"), from any and all actions, claims and demands whatsoever, whenever arising, which the IESO, in its capacity as Servicer or otherwise, shall or may have against any such Person relating to the Investment Interest or the IESO's activities with respect thereto, other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

ARTICLE 7
SERVICER DEFAULT

7.1 Servicer Default

If any one or more of the following events (each, a "**Servicer Default**") shall occur and be continuing:

(a) any failure by the Servicer to remit to the Collection Account ~~on behalf of the Issuer~~ any required remittance that shall continue unremedied for a period of **[two/three] [NTD: Rating Agencies will expect 2-3 days]** Business Days after written notice of such failure is received by the Servicer from the Issuer ~~(with a copy to the Indenture Trustee)~~ or the Indenture Trustee or after discovery of such failure by a Responsible Officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, duly to observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in this Agreement (other than as provided in Section 7.1(a)) or any other Program Agreement to which it is a party, which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer ~~(with a copy to the Indenture Trustee)~~ or to the Servicer or the IESO, as the case may be, by the Indenture Trustee or (B) such failure is discovered by a Responsible Officer of the Servicer;

(c) any representation or warranty made by the Servicer in this Agreement, any other Program Agreement or in any Monthly Report, shall prove to have been incorrect when made, which has a material adverse effect on the Issuer, the Indenture Trustee or any other Specified Creditor and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the

same to be remedied, shall have been delivered to the Servicer (with a copy to the Indenture Trustee) by the Issuer or the Indenture Trustee or (ii) such failure is discovered by a Responsible Officer of the Servicer;

(d) an Insolvency Event occurs with respect to the Servicer or the IESO; **or**

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs; ~~or~~

~~(f) the termination or withdrawal of the "Servicing Guarantee" under the Provincial Protection and Assurances Agreement. **[NTD: Subject to finalization of the Provincial Protection and Assurances Agreement.]**~~

then, and in each and every case, the Indenture Trustee shall, upon the instruction of the Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, subject to the terms of any Co-Owner Agreement, by notice then given in writing to the Servicer (and to the Indenture Trustee if given by the Specified Creditors) (a "**Termination Notice**"), terminate all the rights and obligations (other than the obligations set forth in Section 6.1 and the obligation under Section 7.2 to continue performing its functions as Servicer until a Successor Servicer is appointed) of the Servicer under this Agreement and under the Co-Owner Agreement. In addition, upon a Servicer Default described in Section 7.1(a), the Specified Creditors and the Indenture Trustee (or any of their representatives) shall be entitled to apply to a court of appropriate jurisdiction for an order for sequestration and payment of revenues arising with respect to the ~~Investment Interest.~~**Issuer.** On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Agreement, whether with respect to the Investment Interest, the Clean Energy Adjustments or otherwise, shall, without further action, pass to and be vested in such Successor Servicer as may be appointed under Section 7.2; and, without limitation, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of all documents and records related to the Regulatory Asset, ~~the IESO Deferral,~~ the Fair Hydro Variance Account and related documents or records, or otherwise (the "**Records**"). The predecessor Servicer shall cooperate with the Successor Servicer, the Issuer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the Successor Servicer for administration by it of all Records and all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Investment Interest or the Clean Energy Adjustment. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Records to the Successor Servicer. If a Successor Servicer has been appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable legal fees and expenses) incurred in connection with transferring the Records to the Successor Servicer and amending this Agreement and any Co-Owner Agreement to reflect such succession as Servicer pursuant to this Section 7.1 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. Termination of the IESO as Servicer shall

not terminate the IESO's rights or obligations under this Agreement (except rights thereunder deriving from its rights as the Servicer hereunder).

7.2 Appointment of Successor Servicer

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 7.1 or the Servicer's resignation or removal in accordance with the terms of this Agreement, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, until a Successor Servicer shall have assumed in writing the obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Indenture Trustee may, and at the written direction and with the consent of the Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture** shall, but subject to the provisions of the applicable Co-Owner Agreement, appoint a Successor Servicer with the Issuer's prior written consent thereto (which consent shall not be unreasonably withheld), and the Successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuer. If, within 30 days after the delivery of the Termination Notice, a Successor Servicer shall not have been appointed, the Indenture Trustee may, at the direction of Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, petition a court of competent jurisdiction to appoint a Successor Servicer under this Agreement. A Person shall qualify as a Successor Servicer only if (i) such Person is permitted under the Act to perform the duties of the Servicer, (ii) the Rating Agency Condition shall have been satisfied with respect to such appointment, (iii) such Person enters into a master transfer and servicing agreement with the Issuer having substantially the same provisions as this Agreement and (iv) such Person agrees to perform the obligations of the Servicer under any Co-Owner Agreement. In no event shall the Indenture Trustee be liable for its appointment of a Successor Servicer. The Indenture Trustee's expenses incurred under this Section 7.2(a) shall be at the sole expense of the Issuer and payable from the Collection Account as provided in **[Section 8.02]** of the Indenture.

(b) Upon appointment, the Successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter placed on the predecessor Servicer and shall be entitled to all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

7.3 Waiver of Past Defaults

The Indenture Trustee, with the written consent of Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, may waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to the Collection Account in accordance with this Agreement. Upon any such waiver of a past

default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

7.4 Notice of Servicer Default

The Servicer shall deliver to the Issuer, the Manager, the Indenture Trustee and the Rating Agencies promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice of any event that, with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 7.1.

7.5 Cooperation with Successor Servicer

The Servicer covenants and agrees with the Issuer that it will, on an ongoing basis, cooperate with the Successor Servicer and provide whatever information is, and take whatever actions are, reasonably necessary to assist the Successor Servicer in performing its obligations hereunder.

ARTICLE 8
MISCELLANEOUS

8.1 Amendment

~~(a)~~ This Agreement may be amended in writing by the IESO ~~and~~, the Issuer ~~with (i) the prior written consent of~~ **and** the Indenture Trustee~~, and (ii) the~~ **and with** satisfaction of the Rating Agency Condition. Promptly after the execution of any such amendment ~~or consent~~, the Issuer shall furnish copies of such amendment ~~or consent~~ to each of the Rating Agencies.

8.2 Withholding Rights

The parties shall be entitled to deduct and withholding from amounts payable under this Agreement such amounts as each is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

8.3 No Partnership

Each party expressly disclaims any intention to create a partnership, and none of the Issuer, the **IESO or the Indenture Trustee will be deemed to be carrying on business in partnership by reason of its execution and delivery of this Agreement or the exercise or performance by it of its respective rights and obligations hereunder.**

~~(b) Prior to the execution of any amendment to this Agreement, the Issuer and the Indenture Trustee shall be entitled to receive and rely upon an Opinion of Counsel, which counsel may be an employee of or counsel to the Issuer or the IESO and which shall be reasonably satisfactory to the Indenture Trustee, or, in the Indenture Trustee's sole judgment, external counsel of the IESO stating that the execution of such amendment is authorized and permitted by this Agreement and that all conditions precedent provided for in this Agreement relating to such amendment have been complied with. The Issuer and the Indenture Trustee may, but shall not be obligated to, enter into any such amendment that affects their own rights, duties, indemnities or immunities under this Agreement or otherwise.~~

8.4 ~~8.2~~ Notices

Any notice, report or other communication given hereunder shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (b) upon receipt when sent by an overnight courier, (c) on the date personally delivered to an authorized officer of the party to which sent, or (d) on the date transmitted by electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the IESO, in its capacity as Transferor or Servicer:

Independent Electricity System Operator
~~[Address]~~**120 Adelaide Street West, Suite 1600**
Toronto, Ontario M5H 1T1

Attention: ~~■~~
Chief Financial Officer, General Counsel and Associate General Counsel
Email: ■

(b) in the case of the Issuer or the Manager (on behalf of the Issuer):

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

(c) in the case of the Indenture Trustee:

■
[Address]

Attention: ■
Email: ■

Each party hereto may, by notice given in accordance herewith to the other party or parties hereto, designate any further or different address to which subsequent notices, reports and other communications shall be sent. Any notice, report or communication required to be given by the IESO hereunder to a Rating Agency shall be given to the address provided by the Issuer from time to time.

8.5 ~~8.3~~ Assignment

Notwithstanding anything to the contrary contained herein, except as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the IESO.

8.6 ~~8.4~~ Limitations on Rights of Third Parties

The provisions of this Agreement are solely for the benefit of the IESO, the Issuer and, to the extent provided herein or in the other Program Agreements, the Indenture Trustee (for its own benefit and for the benefit of the Specified Creditors) and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Issuer Investment Interest or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

8.7 ~~8.5~~ Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.8 ~~8.6~~ Separate Counterparts; Electronic Delivery

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by a party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

8.9 ~~8.7~~ Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party to this Agreement attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

8.10 ~~8.8 Assignment~~Grant of Security Interest to Indenture Trustee

The IESO hereby acknowledges and consents to ~~any mortgage, pledge, assignment and~~the grant of a ~~security interest~~Lien by the Issuer to the Indenture Trustee pursuant to the Indenture for the benefit of the Specified Creditors ~~of~~against all right, title and interest of the Issuer in, to and under this Agreement, the Investment Interest and the proceeds thereof and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Specified Creditors. ~~In no event shall the Indenture Trustee have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder or in any of the certificates delivered pursuant hereto, as to all of which any recourse shall be had solely to the assets of the Issuer subject to the availability of funds therefor under Section [8.02] of the Indenture.~~

8.11 ~~8.9~~ Limitation of Liability of Indenture Trustee

It is expressly understood and agreed by the parties hereto that this Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee on behalf of the Specified Creditors, in the exercise of the powers and authority conferred and vested in it. The Indenture Trustee in acting hereunder is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

8.12 ~~8.10~~ Limitation of Liability of the Issuer Trustee

(a) It is expressly understood and agreed by the parties hereto that the Issuer Trustee is acting solely in its capacity as trustee of the Issuer, and not in any other capacity. The Issuer solely shall be responsible for the performance of the Issuer's obligations hereunder and the assets of the Issuer solely shall be subject to levy or execution in satisfaction of such obligations.

(b) The Issuer Trustee will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's

activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by the Issuer Trustee to be taken, or the Issuer Trustee's failure to compel in any way any former or acting Issuer Trustee to redress any breach of trust with respect to the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, provided that the foregoing limitation will not apply in respect of action or failure to act arising from or in connection with dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee, in doing anything or permitting anything to be done in respect of the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, is, and will be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section ~~8.10~~**8.12**, the Issuer Trustee will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the Issuer Trustee owned in its personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

(c) The holders of the units of the Issuer will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by it to be taken. The holders of the units of the Issuer will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the holders of the units of the Issuer owned in their personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

8.13 ~~**8.11**~~ **Waivers**

Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof; provided, however, that no such waiver delivered by the Issuer shall be effective unless the Indenture Trustee has given its prior written consent thereto. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party, with prompt written notice of any such waiver to be provided to the Rating Agencies. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor

in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

~~**8.12 Indenture Trustee Actions**~~

~~In acting hereunder, the Indenture Trustee shall have the rights, protections and immunities granted to it under the Indenture.~~

~~**8.13 Issuer Trustee**~~

~~In acting hereunder, the Issuer Trustee shall have the rights, protections and immunities granted to it under the Declaration of Trust.~~

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By:
Name:
Title:

By:
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

By:
Name:
Title:

By:
Name:
Title:

~~**ACKNOWLEDGED AND ACCEPTED:**~~

[INDENTURE TRUSTEE]
as Indenture Trustee

By:
Name:
Title:

By:
Name:
Title:

EXHIBIT A

FORM OF TRANSFER NOTICE

See attached

TRANSFER NOTICE

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

This Transfer Notice is delivered to you pursuant to Section 2.1 of a master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted by~~ **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Master Transfer and Servicing Agreement.

The Transferor hereby gives notice to the Issuer of its ~~desire~~**offer** to transfer to the Issuer on the Closing Date set out below, on a fully serviced basis, the ~~specified portion~~**Specified Portion** of the Regulatory Asset set out below, all in accordance with the terms and conditions of the Master Transfer and Servicing Agreement. In consideration for (i) the Transferor's Transfer to the Issuer of the ~~specified portion~~**Specified Portion** of the Regulatory Asset set out below, on a fully serviced basis, ~~**[and (ii) the Transferor's agreement to pay to the Issuer all (a) Funding Costs, (b) Finance Reserve Deposits, (c) Financing Entity Expenses, and (d) Tax Liabilities (net of Tax Refunds) that are incurred by the Issuer in connection with such Transfer,]**~~[4] the Issuer shall deliver or cause to be delivered to the Transferor on the Closing Date set out below, by wire transfer in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set out below.

Upon receipt by the Transferor of the Purchase Price on the Closing Date, (i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price**,** and the Regulatory Asset shall be adjusted accordingly; and (ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any

[4] ~~Funding Rebate language to be included in Transfer Notice only when Clean Energy Adjustment is not being charged.~~

adverse claim, and shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest.

Specified portion of Regulatory Asset: $■

Purchase Price: $■

Closing Date: ■

The Transferor hereby represents, warrants and confirms that:

(i) each of the representations and warranties on the part of the Transferor contained in the Master Transfer and Servicing Agreement are true and correct in all respects on the date hereof as if made on the date hereof;

(ii) the Transferor is not in breach of any of its covenants in the Master Transfer and Servicing Agreement; and

(iii) as of the date hereof, each condition precedent that must be satisfied by the Transferor under Section 2.2 of the Master Transfer and Servicing Agreement is capable of being satisfied prior to Closing Date.

The closing shall take place at ■ (Toronto time) on the Closing Date referred to above at the offices of ■, except as may be otherwise mutually agreed. **The Purchase Price shall be paid on that date by bank wire transfer to [insert IESO bank account details].**

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

The undersigned hereby accepts the foregoing offer.

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT B

FORM OF MONTHLY REPORT

See Attached

MONTHLY REPORT

[NTD: Subject to continuing review by the Dealers and ~~Counsel to confirm form of Monthly IESO Report~~their counsel.]

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted~~ by **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Report have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ~~3.3~~■ of the Master Transfer and Servicing Agreement the Servicer hereby certifies in respect of the Billing Period corresponding to the calendar month of ■, ■, as follows:

	Item	**Amount**
(A)	Servicer CEA ~~Collections~~**Receipts**:	$■
(B)	Balance of Collection Account:	$■

[NTD: Any additional information considered necessary for OPG/IESO to be included.]

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT C

FORM OF MONTHLY ~~FUNDING REBATE~~CARRYING COSTS STATEMENT

See Attached

MONTHLY ~~FUNDING REBATE~~CARRYING COSTS STATEMENT

TO: INDEPENDENT ELECTRICITY SYSTEM OPERATOR
[Address]

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted by~~ **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly ~~Funding Rebate~~**Carrying Costs** Statement have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ~~3.4(a)~~**3.14** of the Master Transfer and Servicing Agreement, the undersigned hereby certifies that the Monthly ~~Funding Expenses incurred by the Issuer~~**Carrying Costs** in respect of the calendar month of ■, ■ are as follows:

~~Monthly Funding Expense~~	**Amount**
Funding ~~Costs~~**costs**:	$■
~~Finance Reserve Deposits~~**Derivative payments to be made**:	$■
Amounts deposited into accounts other than capital accounts:	**$■**
Financing ~~Entity Expenses~~**entity expenses**:	$■
Tax ~~Liabilities (net of Tax Refunds)~~**liabilities**:	$■
~~Total Monthly Funding Expense~~**Subtotal**:	$■
LESS:	
Amounts withdrawn from accounts other than capital accounts:	
Derivative payments to be received:	
Tax refunds:	**$■**
Subtotal:	**$■**
Monthly Carrying Costs	**$■**

~~**[NTD: Any additional information considered necessary for OPG/IESO to be included.]**~~

In accordance with Section ~~3.4~~**3.14**(b) of the Master Transfer and Servicing Agreement, the undersigned hereby directs you to deliver to the Issuer, by wire transfer to the account set forth below, an amount in Canadian dollars equal to the ~~Total~~ Monthly ~~Funding Expense~~**Carrying Costs** set forth above on or before ■, 20■, and this shall be your good and valid authority for so doing.

[NTD: Wire transfer instructions to be provided by OPG.]

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Document comparison by Workshare Compare on October-25-17 12:04:10 PM

Input:	
Document 1 ID	file://C:\Users\rramchan\Desktop\Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version).docx
Description	Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version)
Document 2 ID	interwovenSite://INVENTORYS1/TorysAtWork/24367979/3
Description	#24367979v3<TorysAtWork> - Fair Hydro - MTSA (Osler Oct 20 Draft)
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	437
Deletions	421
Moved from	29
Moved to	29
Style change	0
Format changed	0

Total changes	916

MASTER TRANSFER AND SERVICING AGREEMENT

between

[FINANCING ENTITY]
as Issuer

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

~~Acknowledged~~ and ~~Accepted by~~

■
as Indenture Trustee

Dated as of ■, 2017

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MASTER TRANSFER AND SERVICING AGREEMENT

THIS AGREEMENT made as of ■, 2017.

BETWEEN:

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario

(the "**Issuer**")

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital amalgamated under the laws of the Province of Ontario

(the "**Transferor**" in its capacity as transferor, the "**Servicer**", in its capacity as servicer, and the "**IESO**" in its capacity as both Transferor and Servicer)

- ~~acknowledged~~ and ~~accepted by~~ -

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee

(the "**Indenture Trustee**")

WHEREAS the Government of Ontario has enacted the *Ontario Fair Hydro Act, 2017* (the "**Act**") for the purpose of, among other things, ensuring that clean energy costs and clean energy benefits (each as defined in the Act) are fairly allocated among present and future Specified Consumers;

AND WHEREAS, under the Act, the IESO is required to establish and maintain the Fair Hydro Variance Account, and has the right under the Act and the Regulations to record certain amounts in the Fair Hydro Variance Account and recover the balance from time to time of the Fair Hydro Variance Account from Specified Consumers (such right, the "**Regulatory Asset**");

AND WHEREAS the IESO may from time to time, in accordance with the Act, Transfer a ~~specified portion~~**Specified Portion** of the Regulatory Asset to the Issuer on a fully-serviced

basis, and pursuant to Section 26(3) of the Act, such a Transfer ~~shall result~~results in (i) a reduction in the balance in the Fair Hydro Variance Account, (ii) the corresponding adjustment of the Regulatory Asset, and (iii) the acquisition by the Issuer of an Investment Interest corresponding to the ~~specified portion~~Specified Portion of the Regulatory Asset;

AND WHEREAS the Issuer may finance the acquisition from the IESO, from time to time, of an Investment Interest through the incurrence of Funding Obligations under the Indenture;

AND WHEREAS the Issuer will grant a security interest over all of the Issuer Investment Interest to and in favour of the Indenture Trustee on behalf of all Specified Creditors;

AND WHEREAS in connection with its ownership of the Issuer Investment Interest and in order to collect the associated Clean Energy Adjustments in accordance with the Act, the Issuer desires to engage the Servicer to carry out the services described herein and the Servicer desires to be so engaged;

AND WHEREAS the Indenture Trustee has been appointed pursuant to the Indenture to act on behalf of all Specified Creditors (as defined in the Indenture) and wishes to acknowledge and accept the rights and obligations granted to it thereby, including, but not limited to, its rights set forth in this Agreement.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**Act**" has the meaning ascribed thereto in the recitals;

~~"**Administrative Agent**" means OPG, in its capacity as administrative agent of the Issuer;~~

~~"**Administrative Services Agreement**" means the administrative services agreement dated ■, 2017 between the Administrative Agent and the Issuer concerning the reimbursement of certain costs incurred by the Administrative Agent in connection with the administration of the Issuer;~~

~~"**Affiliate**" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "**control**" when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the~~

~~ownership of voting securities, by contract or otherwise, and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing;~~

"**Agreement**" means this master transfer and servicing agreement, as amended, supplemented, modified, restated or replaced from time to time, and the expressions "herein", "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and not to any Article, Section, paragraph, subparagraph or clause hereof;

"**Billing Period**" means a calendar month in which the Clean Energy Adjustment is billed to Specified Consumers;

"**Board**" means the Ontario Energy Board, a statutory corporation without share capital continued under the *Ontario Energy Board Act, 1998*, S.O., 1998;

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are~~, or the office of the Indenture Trustee is,~~ authorized or obligated by law, regulation or executive order to be closed;

"Carrying Costs" has the meaning ascribed to the term "carrying costs" in the Regulations;

"**CEA Consumer Invoice Amounts**" means amounts invoiced by an Electricity Vendor to Specified Consumers in respect of the Clean Energy Adjustment based on the rates established by the Board;

"**Clean Energy Adjustment**" has the meaning ascribed to the term "clean energy adjustment" in the Act;

"**Closing Date**" means the date on which a Transfer is completed as specified in the applicable Transfer Notice;

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the ~~Issuer~~**parties hereto** and any other owner or owners of an Investment Interest as contemplated by ~~subsection~~**Section** 29(5) of the Act **in form and substance satisfactory to the parties hereto, acting reasonably**;

"**Co-Owner Implementation Date**" means the date, if any, upon which the Issuer Investment Interest ceases to be the only Investment Interest outstanding representing the full Investment Asset;

"**Collection Account**" has the meaning ascribed thereto in Section **[8.02(a)]**[1] of the Indenture;

~~"**Corporate Trust Office**" means the office of the Indenture Trustee at which, at any particular time, its corporate trust business shall be administered, which office as of the date hereof is located at ■; Telephone: ■; Email: ■, or at such other address as the Indenture Trustee may designate from time to time by notice to the Specified Creditors and the Issuer, or the principal corporate trust office of any successor trustee designated by like notice;~~

[1] All cross-references to the Indenture to be conformed to the final version of the Indenture.

"**Daily Remittance Event**" means ~~■ [NTD: Definition to be tied to the loss of investment grade ratings of the IESO]~~the occurrence of either: (i) a Servicer Default or (ii) the IESO (or any successor thereto) ceasing to have the Required Servicer Rating;

"**Declaration of Trust**" means the declaration of trust made as of ■, 2017 under which the Issuer was established, as may be supplemented, amended, replaced or amended and restated from time to time;

~~"**Electricity Act**" means the *Electricity Act, 1998*, SO, 1998;~~

"**Electricity Vendor**" has the meaning ascribed to the term "electricity vendor" in the Act;

"**Electricity Vendor CEA Collections**" means payments actually received by Electricity Vendors from Specified Consumers in respect of Clean Energy Adjustments;

"**Electricity Vendor Billing Period Report" means a report as contemplated by Section 17(s) of the Act from each Electricity Vendor in respect of each Billing Period where Clean Energy Adjustments are billed to Specified Consumers containing:**

(a) **its total CEA Consumer Invoice Amounts in such Billing Period;**

(b) **its total Electricity Vendor CEA Collections during such Billing Period; and**

(c) **such other information as may be agreed to.**

"Eligible Deposit Account" means an account in Canada with an Eligible Institution;

"**Eligible Institution**" means:

(a) at any time before the Co-Owner Implementation Date, an "Eligible Institution" as defined in the Indenture; and

(b) at any time on or after the Co-Owner Implementation Date, an "Eligible Institution" as defined in the applicable Co-Owner Agreement;

"**Fair Hydro Variance Account**" means the variance account established by the IESO pursuant to ~~subsection~~**Section** 24(1) of the Act;

~~"**Finance Reserve Deposit**" has the meaning ascribed to the term "finance reserve deposit" in the Regulations;~~

"**Financing Entity**" has the meaning ascribed to the term "financing entity" in the Act;

~~"**Financing Entity Expenses**" has the meaning ascribed to the term "financing entity expense" in the Regulations;~~

~~"**Funding Cost**" has the meaning ascribed to the term "funding cost" in the Regulations;~~

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act;

~~["**Funding Rebate**" has the meaning ascribed thereto in Section 3.4(b);]~~**[NTD: Terminology and provisions relating to IESO payment of carrying costs during the moratorium period subject to finalization of regulations creating this obligation.]**

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

"**IESO**" or "**Independent Electricity System Operator**" means the Independent Electricity System Operator, a statutory corporation without share capital established by the *Electricity Act*, *1998*, SO, 1998;

[NTD: The Issuer may at some point have to publicly file this Agreement, and a copy of it will be circulated to the rating agencies. Therefore, it seems prudent not to include IESO bank account details in the Agreement.]

"**IESO Deferral**"~~, at any time, means the amount determined by the IESO under subsection 23(1) of the Act and sections 15 and 16 of the Regulations and recorded by the IESO under subsection 24(1) of the Act in the Fair Hydro Variance Account at such time~~ **has the meaning ascribed to the term "IESO deferral" in the Act**;

"**IESO Disclosure**" has the meaning ascribed thereto in Section 5.7;

"**IESO Segregated Account**" **has the meaning ascribed thereto in Section** means the account established under Section ~~3.3~~**3.4**(a);

"**Indemnified Losses**" has the meaning ascribed thereto in Section 6.1(a);

"**Indemnified Party**" has the meaning ascribed thereto in Section 6.1(a);

"**Indenture**" means the master trust indenture dated ■, 2017 between the Indenture Trustee and the Issuer;

"**Indenture Trustee**" means ■, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee for the benefit of Specified Creditors, or any successor thereto, under the Indenture;

"**Insolvency Event**" means, with respect to a specified Person, the specified Person admits the inability of such specified Person to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of such specified Person or otherwise acknowledges the insolvency of such specified Person or any proceeding shall be instituted by or against such specified Person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization,

moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, trustee or other similar official for such specified Person or for any substantial part of its property and if such proceeding has been instituted against such specified Person either such proceeding has not been stayed or dismissed within **[45]** days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part, or if a receiver is privately appointed in respect of such specified Person or of the property of such specified Person or any substantial part thereof;

"**Investment Asset**" has the meaning ascribed to the term "investment asset" in the Act;

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act;

"**Issuer**" means ■, a trust formed under the laws of the Province of Ontario;

"**Issuer Funding Obligations**" means the Funding Obligations of the Issuer;

"**Issuer Investment Interest**" means, initially, the Investment Interest acquired by the Issuer pursuant to the first Transfer completed under this Agreement and, upon the completion of each Transfer thereafter, the cumulative Investment Interest acquired by the Issuer;

"**Issuer Share**" means:

(a) at any time before the Co-Owner Implementation Date, 100%; and

(b) at any time on or after the Co-Owner Implementation Date, the percentage determined in accordance with the applicable Co-Owner Agreement;

"**Issuer Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Issuer at such time;

"**Lien**" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind;

"**Management Agreement**" means the management agreement dated ■, 2017 between the Manager and the Issuer;

"**Manager**" means OPG, in its capacity as manager of the Issuer, and any successor appointed in accordance with the Management Agreement;

"**Minister**" means the Minister of Energy or such other member of the Executive Council as may be assigned the administration of the Act under the *Executive Council Act*;

"**Monthly ~~Funding Expenses~~Carrying Costs**" has the meaning ascribed thereto in Section ~~3.4~~3.14(~~a~~b);

"**Monthly ~~Funding Rebate~~Carrying Costs Statement**" has the meaning ascribed thereto in Section ~~3.4~~3.14(~~a~~b);

~~25847049.5~~**24817972.2**

"**Monthly Report**" has the meaning ascribed thereto in Section ~~3.3~~**3.5**(~~e~~**a**);

"**Officer's Certificate**" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section **[10.01]** of the Indenture, and delivered to the Indenture Trustee;

"**OPG**" means Ontario Power Generation Inc., a corporation established under the laws of the Province of Ontario;

"**Opinion of Counsel**" means one or more written opinions of counsel, ~~who may, except as otherwise expressly provided in the Program Agreements, be employees of or counsel to the party providing such opinion of counsel,~~ which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party;

~~"**Outstanding Amount**" means the aggregate principal amount of all Funding Obligations outstanding at the date of determination;~~

"**Permitted Successor**" means any successor to the IESO under the Act, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, conversion, acquisition, sale or transfer, by operation of law, as a result of any restructuring, or otherwise, but only to the extent such successor is approved by the Minister;

"Permitted Transfer" means (i) a Transfer to the Issuer pursuant to this Agreement; and (ii) a Transfer to a person who has entered into a Co-Owner Agreement with, inter alia, the Issuer.

"**Person**" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority;

"**Proceeding**" means any suit in equity, action at law or other judicial or administrative proceeding;

"**Program Agreements**" ~~means the Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Administrative Services Agreement, this Agreement, each Transfer Notice, any Co-Owner Agreements, the Provincial Protection and Assurances Agreement and any hedging agreements, credit enhancement agreements, loan agreements and underwriting or agency agreements in effect at such time and all other documents and certificates delivered in connection therewith;~~**has the meaning ascribed thereto in the Indenture;**

~~"**Provincial Protection and Assurances Agreement**" means the Provincial Protection and Assurances Agreement dated as of ■, 2017 between **[Her Majesty the Queen in Right of Ontario, as represented by the Minister, the Indenture Trustee and the Issuer]**[NTD: **Subject to finalization of agreement**];~~

"**Purchase Price**" has the meaning ascribed thereto in Section 2.1(a);

"**Rating Agency**" has the meaning ascribed thereto in the Indenture;

"**Rating Agency Condition**" has the meaning ascribed thereto in the Indenture;

"**Records**" has the meaning ascribed thereto in Section 7.1;

~~"**Reference Period**" has the meaning ascribed to the term "reference period" in the Act;~~

"**Regulations**" means Ontario Regulation 206/17: General, together with any other regulations promulgated under the Act;

"**Regulatory Asset**" has the meaning ascribed thereto in the recitals;

"**Released Parties**" has the meaning ascribed thereto in Section 6.1(~~e~~**f**);

"**Remittance Date**" means, in respect of each Billing Period, the **[3rd]**[2] ~~Servicer~~ Business Day following the last day of each Billing Period;

"Required Servicer Rating" means ■; [NTD: Definition to tie to loss of investment grade credit rating.]

"**Requirement of Law**" means any foreign, Canadian federal, provincial or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law;

"**Responsible Officer**" means, with respect to: (a) the Issuer, any authorized director or officer of the Manager; (b) the Servicer, any authorized director or officer of the IESO; (c) a Successor Servicer, any authorized director or officer of the Successor Servicer; and (d) the Indenture Trustee, any officer ~~within the Corporate Trust Office~~ of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject);

"**Servicer**" means the Independent Electricity System Operator, as Servicer under this Agreement, or any Successor Servicer to the extent permitted under this Agreement;

~~"**Servicer Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obligated by law, regulation or executive order to be closed, on which the Servicer maintains normal office hours and conducts business;~~

"**Servicer CEA ~~Collections~~Receipts**" has the meaning ascribed thereto in Section ~~3.2(a)(ii~~**3.4(e**);

[2] ~~Based on the monthly payment cycle charts prepared by OPG.~~

"**Servicer Default**" has the meaning ascribed thereto in Section 7.1;

"**Specified Consumer**" has the meaning ascribed to the term "specified consumer" in the Act;

"**Specified Creditors**" has the meaning ascribed thereto in the Indenture;

"**Specified Portion**" means, in respect of the Regulatory Asset and any Transfer, the portion of the Regulatory Asset subject to such Transfer, as set out in the applicable Transfer Notice.

"**Successor Servicer**" has the meaning ascribed thereto in Section **[3.07(e)]** of the Indenture;

"**Supplemental Indenture**" means an indenture supplemental to the Indenture that authorizes the incurrence of Funding Obligations;

~~"**Tax Liability**" has the meaning ascribed to the term "tax liability" in the Regulations;~~

~~"**Tax Refund**" has the meaning ascribed to the term "tax refund" in the Regulations;~~

"**Termination Event**" has the meaning ascribed thereto in Section ~~3.11~~■;

"**Termination Notice**" has the meaning ascribed thereto in Section 7.1;

"**Transfer**" has the meaning ascribed to the term "transfer" in the Act, and "**Transferred**" has a corresponding meaning;

"**Transfer Notice**" means a Transfer Notice in respect of a Transfer substantially in the form of Exhibit A to this Agreement and delivered pursuant to Section 2.1(a) of this Agreement; and

"**Transferor**" means the Independent Electricity System Operator, as transferor under this Agreement;

1.2 Sections and Headings[~~3~~2]

The table of contents does not form part of this Agreement. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

(a) Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. A reference to any agreement, instrument or declaration

[~~3~~2] Torys to conform boilerplate provisions, as applicable, across all transaction documents.

means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or replaced from time to time.

(b) The term "**including**" means "including without limitation", and other forms of the verb "**include**" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated, in the computation of a period of time from a specified date to a later specified date, the word "**from**" means "**from and including**" and each of the words "**to**" and "**until**" means "**to but excluding**".

(e) The words "**hereof**", "**herein**" and "**hereunder**" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, unless otherwise specified. References to Articles, Sections, Appendices and Exhibits in this Agreement are references to Articles, Sections, Appendices and Exhibits in or to this Agreement unless otherwise specified.

(f) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor.

(g) The word "**will**" shall be construed to have the same meaning and effect as the word "**shall**". The word "**or**" is not exclusive.

ARTICLE 2
TRANSFER OF SPECIFIED PORTIONS OF THE REGULATORY ASSET

2.1 Transfer Notices and Agreement to Transfer a Specified Portion of the Regulatory Asset

(a) The Transferor may, no more frequently than monthly and no later than the 8th Business Day of ~~each~~**any** calendar month, ~~provide~~**offer** to **Transfer to** the Issuer a **Specified Portion of the Regulatory Asset by providing to the Issuer a** Transfer Notice executed by the Transferor and setting out (i) the ~~specified~~

~~portion~~**Specified Portion** of the Regulatory Asset that the Transferor ~~desires~~**is offering** to Transfer to the Issuer, (ii) the consideration to be paid to the Transferor by the Issuer for the Transfer (the "**Purchase Price**") which shall be equal to the amount of ~~the specified portion~~**such Specified Portion** of the Regulatory Asset ~~that the Transferor proposes to Transfer to the Issuer~~, (iii) the Closing Date to effect such transfer which shall be **no earlier than** the ~~10~~**[5th]** Business Day ~~following~~**after the** delivery of the **Transfer Notice and no later than the last Business Day of the calendar month in which the** Transfer Notice **was delivered**, or such other ~~date~~**Business Day** as may be agreed ~~upon~~ by the Transferor and the Issuer, and (iv) such other information as required in the form of Transfer Notice attached as Exhibit A hereto.

~~(b)~~ ~~**[The Issuer shall use commercially reasonable efforts to provide reasonable notice to the Transferor if the Issuer has reasonable cause to believe that it will not accept a Transfer Notice sent by the Transferor or that the conditions precedent in Sections 2.2(b)(i), (v), (vi), (vii), (viii) and (vii) will not be satisfied on the relevant Closing Date.][NTD: Subject to review by OPG.]**~~

(b) ~~(c)~~ On or before the 2nd Business Day following receipt of a Transfer Notice, the Issuer shall have the right, but not the obligation, to accept the Transferor's offer to Transfer the ~~portion~~**Specified Portion** of the Regulatory Asset subject to the Transfer Notice by executing and returning such Transfer Notice to the Transferor. Upon acceptance by the Issuer of the Transfer Notice, there shall be a binding agreement for IESO to Transfer the ~~specified portion~~**Specified Portion** of the Regulatory Asset and for the Issuer to pay the Purchase Price, subject to satisfaction of all conditions precedent in Section 2.2.

~~(d) In consideration and as an inducement for the Issuer to acquire the Investment Interest at the Purchase Price, the Transferor shall, concurrently with each such Transfer and in accordance with Section 3.4, agree to pay to the Issuer all Monthly Funding Expenses that are incurred by or on behalf of the Issuer in connection with each applicable Transfer in respect of each calendar month in which there are no Clean Energy Adjustments billed to Specified Consumers.~~

(c) ~~(e)~~ Provided that all conditions precedent set out in Section 2.2 have been satisfied on or prior to the applicable Closing Date, on the applicable Closing Date, the Issuer shall deliver or cause to be delivered to the Transferor, by **bank** wire transfer **or bank electronic funds transfer,** in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set forth in the applicable Transfer Notice. **The Transferor agrees that receipt by the Transferor of the payment referred to in this Section 2.1(c) is receipt by the Transferor of a payment referred to in Section 26(3) of the Act.**

(d) ~~(f) Upon receipt by the Transferor of the payment referred to in Section 2.1(e):~~ **Upon receipt by the Transferor of the payment referred to in Section 2.1(c),** the Transferor shall reduce the balance of the Fair Hydro Variance Account by an

amount equal to the Purchase Price **received and shall retain no further right, title or interest in the corresponding Issuer Investment Interest.**

~~(i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price and, as a consequence, the Regulatory Asset shall be adjusted accordingly; and~~

~~(ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any adverse claim, and in accordance with section 27(1) of the Act, shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Issuer.~~

~~(g) Any Transfer of a specified portion of the Regulatory Asset by the Transferor pursuant to this Agreement shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Issuer, shall be treated as a true sale and not as a pledge of or secured transaction relating to the Transferor's right, title, and interest in, to, and under the specified portion of the Regulatory Asset. After giving effect to a Transfer contemplated hereby, the Transferor shall have no right, title or interest in, to or under the corresponding Investment Interest because (i) it has Transferred all of its right, title and interest in and to the corresponding specified portion of the Regulatory Asset to the Issuer, (ii) as provided in the Act, all right, title and interest to the corresponding Investment Interest shall be vested in the Issuer, (iii) as provided in the Act, such Transfer is perfected, vested, valid and binding as against the Transferor and all other Persons who may have claims of any kind against the Transferor, regardless of whether the Persons who have claims have received notice of the Transfer, and (iv) the property rights and interests acquired by the Issuer shall be free and clear of any Liens arising through the IESO.~~

(e) The parties intend that this Agreement, together with each Transfer Notice accepted by the Issuer, constitute an agreement, for purposes of Section 27(2) of the Act for the Transferor to dispose, upon receipt by the Transferor of the payment referred to in Section 2.1(d), of a Specified Portion of the Regulatory Asset and to assign, convey or sell a corresponding Investment Interest to the Issuer.

2.2 Conditions Precedent to each Transfer of a Specified Portion of the Regulatory Asset

(a) The obligation of the Issuer to pay the Purchase Price related to the initial Transfer of a ~~specified portion~~**Specified Portion** of the Regulatory Asset shall be subject to the satisfaction by the Transferor, or waiver by the Issuer and the Indenture Trustee, of the following ~~condition~~**conditions**:

(i) the Issuer and the Indenture Trustee shall have received from the Transferor the following documents, in form and substance satisfactory to each of the Issuer and the Indenture Trustee:

(A) a certificate of an officer of the IESO, dated the initial Closing Date certifying (1) that attached thereto is a true and complete copy of the by-laws of the IESO, each as in effect on the date of such certificate, (2) that attached thereto is a true and complete copy of a resolution adopted by the IESO's board of directors authorizing the execution, delivery and performance of this Agreement and the ~~Program Agreements to which~~**performance by** the IESO ~~is party~~**of its obligations hereunder**, and that such resolution has not been modified, rescinded or amended and is in full force and effect, and (3) as to the incumbency and true specimen signature of each of the IESO officers **or delegates** executing this Agreement ~~or any of the Program Agreements to which the IESO is party~~**and authorized to give notices and instructions hereunder (which can be changed by notice hereunder)**; and

(B) ~~reports showing the results of searches conducted against the IESO under applicable personal property security registers in the Province of Ontario together with executed copies of all discharges or releases of prior security interests relating to the Regulatory Asset subject to the Transfer; provided that the IESO may establish that any particular registration does not affect the Regulatory Asset by delivering a letter or acknowledgment signed by the applicable secured party.~~the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them**. [NTD: Scope of opinions required to be confirmed by the Dealers and their counsel]**

(b) The obligation of the Issuer to pay the Purchase Price related to each Transfer of a ~~specified portion~~**Specified Portion** of the Regulatory Asset (including the initial Transfer) shall be subject to the satisfaction or waiver by the Issuer and the Indenture Trustee of each of the following conditions:

(i) as of the applicable Closing Date, all Program Agreements shall have been entered into on terms and conditions satisfactory to the Issuer and the Indenture Trustee and shall be in full force and effect as of such Closing Date;

(ii) as of the applicable Closing Date, no Insolvency Event in respect of the Transferor shall have occurred and the Transferor ~~is not insolvent and will not have been made insolvent by such Transfer and the Transferor~~ is not aware of any pending ~~insolvency~~**Insolvency Event** with respect to itself;

(iii) as of the applicable Closing Date, (A) the representations and warranties of the IESO in this Agreement must be true and correct with the same force and effect as if made on that date (except to the extent they relate to an earlier date), (B) no breach of any covenant or agreement of the IESO contained in this Agreement shall have occurred ~~and not been waived~~**be continuing**, and (C) no Servicer Default shall have occurred and ~~not been waived~~**be continuing**;

(iv) on or prior to the applicable Closing Date, the Transferor shall have taken all action required to provide for the Transfer, upon payment of the Purchase Price, of the ~~specified portion~~**Specified Portion** of the Regulatory Asset as set forth in the applicable Transfer Notice on the Closing Date, free and clear of all Liens other than Liens created by the Issuer pursuant to the Program Agreements;

(v) the Transferor shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate confirming the satisfaction of each condition precedent specified in Sections 2.2(b)(i), (ii), (iii) and (iv);

~~(vi) the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them [NTD: Scope of opinions required to be confirmed by the Dealers and their counsel];~~

(vi) ~~(vii)~~ as of the applicable Closing Date, (A) the Issuer shall have sufficient funds available to pay the Purchase Price as set forth in the applicable Transfer Notice, (B) all conditions to any incurrence of Funding Obligations intended to provide such funds set forth in the Indenture (and any applicable Supplemental Indenture) or other instrument shall have been satisfied or waived, (C) the Rating Agency Condition in respect of the issuance of the Funding Obligations funding the payment of the Purchase Price shall have been satisfied, and (D) the Funding Obligation required to fund the payment of the Purchase Price shall have been issued at the same time as, or prior to, the Transfer; and

(vii) ~~(viii)~~ after giving effect to the Transfer, each of the Fair Hydro Variance Account and the Regulatory Asset will have a balance or amount, as applicable, equal to or greater than zero.

ARTICLE 3
ROLE OF THE SERVICER

3.1 Designation of Servicer

Each Transfer of a specified portion of the Regulatory Asset shall be made on the basis that the related Issuer Investment Interest shall be ~~fully~~ serviced by the Servicer **in**

accordance with this Article 3, and the IESO or any Permitted Successor of the IESO that is the Servicer shall not be entitled to receive any further compensation from the Issuer ~~or the Indenture Trustee~~ for its services in connection therewith. The Servicer ~~acknowledges the responsibility of the Servicer for servicing the related Issuer Investment Interest corresponding to the specified portion of the Regulatory Asset Transferred by the Transferor under this Agreement and hereby~~ agrees to perform the duties and obligations of the Servicer pursuant to the terms hereof at no additional cost to the Issuer.

3.2 ~~**Duties of Servicer Generally**~~**Forecast of Electricity Consumption**

~~(a)~~ ~~The Servicer shall:~~

~~(i)~~ ~~issue settlement statements to Electricity Vendors that include amounts in respect of the Clean Energy Adjustment as prescribed by the Act and the Regulations;~~

~~(ii)~~ ~~receive from Electricity Vendors amounts in respect of Electricity Vendor CEA Collections including payments made directly to the IESO as an Electricity Vendor (such amounts received being "**Servicer CEA Collections**");~~

~~(iii)~~ ~~hold and remit Servicer CEA Collections in accordance with Section 3.3;~~

~~(iv)~~ ~~receive information from Electricity Vendors in respect of CEA Consumer Invoice Amounts and Electricity Vendor CEA Collections and such other information as the IESO may reasonably request for the purposes of determining the IESO Deferral or such further information as may be required;~~

~~(v)~~ ~~determine and record the IESO Deferral for each month and make any necessary corrections thereto in accordance with the Act and the Regulations;~~

~~(vi)~~ ~~forecast electricity demand by Specified Consumers for Reference Periods;~~

The IESO shall:

(a) ~~(vii)~~ provide ~~information~~ to the Board ~~in respect of forecast electricity demand or any other information the Board may require from the Servicer to facilitate the Board's determination of the rates at which~~**and the Financial Services Manager the forecasts of electricity consumption by** Specified Consumers ~~are to be invoiced so as to enable full recovery of the Clean Energy Adjustment in respect of any Reference Period;~~ **as contemplated by Section 8(3) of the Regulations; and**

~~(viii)~~ ~~respond to inquiries by Electricity Vendors, the Board or any other Governmental Authority with respect to the Clean Energy Adjustment;~~

~~(ix) investigate and handle delinquencies by Electricity Vendors regarding Servicer CEA Collections (and furnish reports with respect to such delinquencies to the Issuer);~~

~~(x) process and deposit Servicer CEA Collections and make periodic remittances to the Issuer in accordance with Section 3.3;~~

~~(xi) furnish periodic and current reports to the Issuer, the Board, the Indenture Trustee and the Rating Agencies, as may reasonably be required by the Issuer;~~

~~(xii) take all necessary action in connection with Funding Rebates as set forth herein and in the Regulations; and~~

~~(xiii) perform such other duties as may be reasonably required from time to time to be performed by it.~~

(b) ~~Without limiting the generality of Section 3.2(a), in furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with, the duties and responsibilities relating to data acquisition, consumption and settlement statement calculation, settlement, collections, posting, payment processing and remittance with reasonable care and in material compliance with each applicable Requirement of Law, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to similar assets for its own account and, if applicable, for others.~~**provide to the Board and the Financial Services Manager such other information and reports as the Board or the Financial Services Manager may reasonably request in connection with the calculation of the Clean Energy Adjustments and which is reasonably available to the Transferor without incurring material incremental expense.**

~~(c) Notwithstanding anything to the contrary in this Agreement, the duties of the Servicer set forth in this Agreement shall be qualified and limited in their entirety by the Act, the Regulations, all applicable laws and the rules and regulations promulgated thereunder as in effect at the time such duties are to be performed.~~

3.3 ~~Remittances~~ISO Deferral

~~(a)~~ The **IESO shall:**

(a) determine the IESO Deferral as required by Section 23 of the Act and the Regulations; and

(b) maintain the Fair Hydro Variance Account as required by Section 24 of the Act and the Regulations.

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3.4 Clean Energy Adjustments and Electricity Vendors

The Servicer shall:

(a) **prior to receiving** Servicer ~~shall~~**CEA Receipts,** establish an Eligible Deposit Account (the "**IESO Segregated Account**") bearing a designation ~~clearly~~ indicating that the funds deposited therein are held in trust for the benefit of the **Issuer and, after the Co-Owner Implementation Date, for the benefit of any other owner or** owners of **an** Investment ~~Interests~~**Interest**. If at any time the IESO Segregated Account ceases to be an Eligible Deposit Account, the Servicer shall within 30 days establish a new IESO Segregated Account as an Eligible Deposit Account and shall transfer any cash and/or any investments held in the former account to such new account and make all future deposits to such new account~~.~~**;**

(b) **prior to the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, make reasonable efforts to work with each Electricity Vendor to:**

(i) **establish a segregated account into which Electricity Vendor CEA Collections are to be deposited as required by Section 10(2) of the Regulations;**

(ii) **settle a form of Electricity Vendor Billing Period Report to be used by such Electricity Vendor; and**

(iii) **establish procedures for the invoicing by such Electricity Vendor of amounts in respect of the Clean Energy Adjustment, the identification, deposit and segregation of Electricity Vendor CEA Collections, the remittance of Electricity Vendor CEA Collections to the Servicer and reporting to the Servicer; [NTD: Generally, someone will need to take responsibility for educating the Electricity Vendors and we believe the IESO is best positioned to take on this role given its existing relationships and opportunities to interact with the EVs.]**

(c) **request certification from each Electricity Vendor that the segregated account required by Section 10(2) of the Regulations has been established by that Electricity Vendor;**

(d) **as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive Electricity Vendor CEA Collections from Electricity Vendors;**

(e) **as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive any amounts in respect of Clean Energy Adjustments payable directly by Specified Consumers to the Servicer (such amounts, together with the amounts referred to in Section 3.4(d), the "Servicer CEA Receipts");**

(f) ~~(b) The Servicer shall~~ deposit ~~all~~**the** Servicer CEA ~~Collections~~**Receipts** into the IESO Segregated Account promptly following receipt by the Servicer and, in any event, within **[**two ~~Servicer~~ Business Days**]** of receipt by the Servicer and **the Issuer Share of** such Servicer CEA ~~Collections~~**Receipts** shall remain in the IESO Segregated Account until remitted in accordance with Section ~~3.3(d)~~ **3.6;**

(g) respond to inquiries by Electricity Vendors **with respect to the Clean Energy Adjustment and amounts payable in respect thereof;**

(h) **request from each Electricity Vendor an Electricity Vendor Billing Period Report in respect of each Billing Period during which Clean Energy Adjustments are billed to Specified Consumers; such report to be requested to be delivered within ■ Business Days of the end of each Billing Period;**

(i) **review each Electricity Vendor Billing Period Report received by the Servicer for material manifest discrepancies including any discrepancy between the Electricity Vendor CEA Collections reported in respect of the Billing Period and the amount remitted pursuant to Section 3.4(d);**

(j) **make reasonable efforts to contact each Electricity Vendor that:**

(i) **does not deliver an Electricity Vendor Billing Period Report in respect of a Billing Period where Clean Energy Adjustments were payable by Specified Consumers;**

(ii) **does not remit any Electricity Vendor CEA Collections in accordance with Section 3.4(d) or remits Electricity Vendor CEA Collections that do not match the amount thereof reported in its Electricity Vendor Billing Period Report,**

(iii) **delivers an Electricity Vendor Billing Period Report that has any other material manifest discrepancy detected by the Servicer, or**

(iv) **does not certify that it has established the segregated account required by Section 10(2) of the Regulations,**

and attempt to resolve the applicable issue;

(k) **on a periodic basis as requested by the Issuer, review, pursuant to its rights under Section 10(4) of the Regulations, the records maintained by each Electricity Vendor with respect to Clean Energy Adjustments; provided that in the absence of evidence of material non-compliance by an Electricity Vendor with its duties and obligations in respect of Clean Energy Adjustments, the Servicer shall not be required to review the records of a Electricity Vendor more often than ■.**

(l) ~~(c) The IESO agrees and acknowledges that it holds all~~**hold the Issuer Share of** Servicer CEA ~~Collections~~**Receipts** and **the Issuer Share of** any other proceeds in

respect of the Clean Energy Adjustment received by it in trust for the benefit of the Issuer, any other owner of Investment Interests, the Indenture Trustee and the Specified Creditors and that all such amounts will be remitted by the Servicer and remit such amounts in accordance with this Section 3.3 3.6 without any surcharge, fee, offset, charge or other deduction.

3.5 Reporting

The IESO further agrees not to make any claim to reduce its obligation to remit all Servicer CEA Collections received by it in accordance with this Agreement. Servicer shall:

(d) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA Collections received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period. Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA Collections on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account on each Servicer Business Day.

(a) (e) On on or before the **[2nd] Servicer 8th Business Day]** following the end of each Billing Period, the Servicer shall prepare and deliver to the Issuer, the Indenture Trustee and the Rating Agencies a written report substantially in the form of Exhibit B (a "**Monthly Report**"). ;

3.4 [Funding Rebates]

[NTD: Terminology and provisions relating to IESO payment of carrying costs during the moratorium period subject to finalization of regulations creating this obligation.]

(b) report to the Issuer any delinquencies by Electricity Vendors in respect of the CEA amounts collected and the remittance of Electricity Vendor CEA Collections;

(c) (a) On or before the **[4th]** Servicer Business Day following the end of each calendar month in which no Clean Energy Adjustment is billed to Specified Consumers, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of Exhibit C (a "**Monthly Funding Rebate Statement**") setting out the aggregate amount of all (i) Funding Costs, (ii) Finance Reserve Deposits, (iii) Financing Entity Expenses, and (iv) Tax Liabilities (net of Tax Refunds), that were incurred by or on behalf of the Issuer during the previous calendar month ("**Monthly Funding Expenses**"). report to the Issuer any unresolved matters referred to in Section 3.4(j);

(b) On or before the **[10th]** Servicer Business Day following receipt by the IESO of the Monthly Funding Rebate Statement, the IESO shall, as required by the Regulations, deliver or cause to be delivered to the Issuer, by wire transfer in

~~immediately available funds, an amount in Canadian dollars equal to the Monthly Funding Expenses set forth in the applicable Monthly Funding Rebate Statement (the "**Funding Rebate**").~~

~~**3.5 Reporting Functions**~~

(d) ~~(a) Notification of Laws and Regulations. The Servicer shall~~ promptly notify the Issuer in writing of any Requirement of Law hereafter adopted or announced or the occurrence of any other event or circumstance **of which it becomes aware** that has a material adverse effect on the Servicer's ability to perform its duties and obligations under this Agreement~~.~~**; and**

(e) ~~(b) Other Information. Upon~~**upon** the reasonable request of the Issuer, the Indenture Trustee or any Rating Agency, ~~the Servicer shall~~ provide to the Issuer, the Indenture Trustee or such Rating Agency, as the case may be, any public financial information in respect of the Servicer, or any material information regarding the **Issuer** Investment Interest or the Regulatory Asset**,** to the extent it is reasonably available to the Servicer~~,~~ **and** as may be reasonably necessary and permitted by law**,** to enable the Issuer, the Indenture Trustee or the Rating Agencies to monitor the performance by the Servicer of its duties and obligations hereunder. ~~In addition, the Servicer shall provide the Issuer and the Indenture Trustee, within a reasonable time after written request therefor, any information available to the Servicer or reasonably obtainable by it that is necessary to calculate the Clean Energy Adjustment.~~

3.6 Remittances

(a) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA **Receipts** received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period.

(b) Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA **Receipts** on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account **on each Business Day.**

3.7 Limits to Obligations

Without in any way limiting the duties and obligations of the Servicer arising under the Act or the Regulations, the parties hereto agree the duties and obligations of the Servicer under this Agreement are limited as provided in this Section 3.7.

(a) **The Servicer is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from their customers or not remitted by Electricity Vendors to the Servicer.**

(b) **The Servicer is not responsible for enforcing the obligations of Specified Consumers or Electricity Vendors to invoice, collect or remit Clean Energy Adjustments or any other amounts.**

(c) **The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations including (i) the invoicing of** Specified Consumers in respect of the Clean Energy Adjustment and ancillary matters related thereto; (ii) **the collection from Specified Consumers of amounts due** in respect of such invoices and **the remittance of such payments to the Servicer; (iii) the accuracy of any information provided by the Electricity Vendors; and (iv) any reporting by the Electricity Vendors, including the reporting to the Servicer of the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and the Issuer Share of Electricity Vendor CEA Collections received by such Electricity Vendor.**

(d) **The Servicer is under no responsibility or obligation to the Issuer with respect to whether the Clean Energy Adjustments funds remitted by the Servicer to Issuer during any or all periods is sufficient to satisfy the Issuer's obligations.**

(e) **The Servicer is under no obligation to initiate or prosecute any legal action relating to the collection of the Issuer Investment Interest.**

3.8 ~~3.6~~ **Servicing and Maintenance Standards**

(a) The Servicer shall ~~monitor payments and impose collection policies on Electricity Vendors with respect to Electricity Vendor CEA Collections. On behalf of the Issuer, the Servicer shall: (a) manage, service, administer, collect and receive Servicer CEA Collections with reasonable care and in material compliance with each applicable Requirement of Law, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to the collection of other amounts from Electricity Vendors for its own account and, if applicable, for others; (b) follow standards, policies and procedures in performing its duties as Servicer that are customary for an electricity market operator and administrator that regularly performs settlement functions; (c) use all reasonable efforts, consistent with its customary servicing procedures, to receive and hold Servicer CEA Collections in trust for the benefit of the Issuer; (d) comply with each Requirement of Law, including all regulations and guidelines, applicable to and binding on it relating to its duties hereunder; and (e) provide all information to the Board as required by the Act and the Regulations. The Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of all or any portion of the Investment Asset and the Issuer Investment Interest, which may include, at the direction of the Issuer, the taking of legal action, at the Issuer's expense but subject to the priority~~

~~of payments set forth in **[Section 8.02(e)]** of the Indenture. In no event shall the Issuer Investment Interest be set off at any time by the IESO or any Permitted Successor thereof in connection with any default by such Person or otherwise.~~**discharge its duties, responsibilities and obligations hereunder with reasonable care and in material compliance the Requirements of Law, including the Act and the Regulations and shall follow standards, policies and procedures in performing its duties as Servicer hereunder that are customary for an electricity market operator and administrator that regularly performs settlement functions. In** furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with **reasonable care and in material compliance with applicable Requirement of Laws**, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to **similar settlement activities on its own account.**

~~**3.7 Binding Effect of Servicing Obligations**~~

(b) **The** Servicer may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising under this Agreement.

(c) **Neither** the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment**.**

3.9 Appointments

The Servicer may at any time appoint any Person to **act as its agent to perform all or any portion of its obligations as Servicer hereunder; provided** however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided **further that the Servicer shall remain obligated and be liable for the performance of its obligations under this Agreement** without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were **performing such obligations**. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, **and the Issuer shall not** have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section **3.11.**

3.10 Term

The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under **Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off** (in each case, a "**Termination**

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Event"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.

3.11 Resignation of Servicer

The IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and the Rating Agencies at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and the Rating Agencies concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.12 Mergers

~~The obligations to continue to provide services and to receive and account for Servicer CEA Collections and related amounts will be binding upon the Servicer and any Permitted Successor so long as the Servicer CEA Collections have not been fully received and posted.~~ Any Person (a) into which the Servicer may be merged, converted or amalgamated and that is a Permitted Successor, (b) that may result from any merger, conversion or amalgamation to which the Servicer shall be a party and that is a Permitted Successor, (c) that may succeed to the properties and assets of the Servicer substantially as a whole and that is a Permitted Successor, or (d) that otherwise is a Permitted Successor, which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Servicer hereunder, shall be the successor to the Servicer under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 4.1 shall have been breached and no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, (ii) the Servicer shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger or succession and such agreement of assumption complies with this Section ~~3.7~~**3.12** and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (iii) the Servicer shall have given to the Issuer prior written notice of such transaction. When any Person that is a Permitted Successor acquires the properties and assets of the Servicer substantially as a whole or otherwise becomes the successor, by merger, conversion, consolidation, sale, transfer, lease or otherwise, to all or substantially all the assets of the Servicer in accordance with the terms of this Section ~~3.7~~**3.12**, then, upon satisfaction of all of the other conditions of this Section ~~3.7~~**3.12**, the preceding Servicer shall automatically and without further notice be released from all of its obligations hereunder (except for responsibilities for its actions prior to such release).

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~~**3.8 Limitation on Liability of Servicer and Others**~~

~~(a) Except as otherwise provided under this Agreement, including Section 6.1, neither the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment; provided, however, that this provision shall not protect the Servicer or any such Person against any liability that would otherwise be imposed by reason of negligence, recklessness or willful misconduct in the performance of duties or by reason of reckless disregard of obligations and duties under this Agreement. The Servicer and any director, officer, employee or agent of the Servicer may rely in good faith on the advice of counsel or on any document of any kind, *prima facie* properly executed and submitted by any Person, respecting any matters arising under this Agreement.~~

~~(b) Except as provided in this Agreement, the Servicer shall not be under any obligation to appear in, prosecute or defend any legal action relating to the Issuer Investment Interest that is not directly related to one of the Servicer's enumerated duties in this Agreement or related to its obligation to pay indemnification, and that in its reasonable opinion may cause it to incur any expense or liability; provided, however, that the Servicer will, at the direction of the Issuer, in respect of any Proceeding, undertake any action that is not specifically identified in this Agreement as a duty of the Servicer but that the Issuer reasonably determines is necessary or desirable in order to protect the rights and duties of the Issuer or the Indenture Trustee under this Agreement and the interests of Specified Creditors under the Indenture.~~

3.13 ~~3.9~~ The IESO Not to Resign as Servicer

Subject to the provisions of Section ~~3.7~~**3.12**, the IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and each Rating Agency at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and each Rating Agency concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

~~**3.10 Appointments**~~

3.14 IESO Regulatory Obligation to Pay Carrying Costs

(a) ~~Subject to Section 3.10(b), the~~ Servicer ~~may at any time appoint any Person to perform all or any portion of its obligations as Servicer hereunder; provided, however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided, further, that the Servicer shall remain obligated and be liable under this Agreement for the servicing and administering of the Issuer Investment Interest in accordance with the provisions hereof without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Investment Interest. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, and none of the Issuer, the Indenture Trustee, Specified Creditors or any other Person shall have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section 3.9.~~ **During the period beginning on December 1, 2017 and ending on July 31, 2021, the IESO shall, as required under the Regulations, pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs during the period beginning on June 1, 2017 and ending on July 31, 2021.**

(b) ~~The following matters shall be performed by the Electricity Vendors in accordance with the Act and shall not be considered an "appointment" for purposes of Section 3.10(a): (i) invoicing~~ Specified Consumers ~~in respect of the~~ Clean Energy Adjustment and ancillary matters related thereto; ~~(ii) collection from Specified Consumers of payments in respect of such invoices and remittance of such payments to the Servicer; and (iii) reporting to the Servicer the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and such other information the IESO may reasonably request for the purposes of determining the IESO Deferral or such further information as may be required. The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations or in respect of the matters set out in this Section 3.10(b).~~ **On or before the 4th Business Day of each calendar month**, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of **Exhibit C (a "Monthly Carrying Costs Statement") setting out the amount of Carrying Costs in respect of the preceding calendar month ("Monthly Carrying Costs").**

~~**3.11 Effective Period and Termination**~~

(c) **On or before the 8th Business Day following receipt by the IESO of the Monthly Carrying Costs Statement, the IESO shall, as required under** the Regulations, deliver or cause to be delivered to the Issuer, by wire **transfer or electronic funds** transfer in immediately available funds, an amount in Canadian dollars equal to the Monthly **Carrying Costs set forth in the applicable Monthly Carrying Costs Statement.**

3.15 IESO Security for CEA Remittances

~~The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off (in each case, a "**Termination Event**"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.~~**If required by the Issuer, the IESO shall provide to the Issuer, on or prior to the first day of the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, a letter of credit in an amount equal to $■, or such other form of security as may be acceptable to the Issuer and the Indenture Trustee, as security for any failure of Electricity Vendors, following [July 31, 2021], to remit the Electricity Vendor CEA Collections.**

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE IESO

4.1 Representations and Warranties

Subject to Section 4.3, the IESO makes the following representations and warranties as of the date hereof and as of each applicable Closing Date, and the IESO acknowledges that the Issuer and the Indenture Trustee will rely thereon in paying the Purchase Price related to Transfers of ~~specified portions~~**Specified Portions** of the Regulatory Asset, and the Issuer has relied thereon in entering into this Agreement relating to the servicing of the corresponding Investment Interests.

(a) Organization and Good Standing. The IESO is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite **corporate** power and authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it~~, and to execute, deliver and carry out the terms of this Agreement, including, for greater certainty, acting as Servicer in accordance with this Agreement~~.

(b) Due Qualification. The IESO has obtained all necessary licences and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including acting as Servicer under this Agreement) shall require such licences or approvals, except where the failure to so qualify or obtain such licences and approvals would not be reasonably likely to have a material adverse effect on the IESO's business, operations, assets, revenues or properties, the Regulatory Asset~~,~~ **or** the servicing of related Investment Interests~~, the Issuer or the repayment when due of the Funding Obligations~~.

(c) Power and Authority. The IESO has the requisite **corporate** power and authority to execute and deliver this Agreement and to carry out its terms. The IESO has full corporate power and authority to hold the Regulatory Asset and to Transfer ~~specified portions~~**Specified Portions** of the Regulatory Asset to the Issuer and the IESO has duly authorized such Transfer to the Issuer by all necessary **corporate** action. The execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary **corporate** action on the part of the IESO under all applicable laws.

(d) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the IESO, enforceable against the IESO in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof by the IESO do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time, or both) a default under, the IESO's by-laws, or any indenture, or other material agreement or instrument to which the IESO is a party or by which it is bound, result in the creation or imposition of any Lien upon any of the IESO's properties pursuant to the terms of any such indenture, agreement or other instrument or violate any existing law or any order, rule or regulation applicable to the IESO issued by any Governmental Authority having jurisdiction over the IESO or its properties.

(f) No Proceedings. ~~There are no Proceedings or, to~~**To** the IESO's knowledge, ~~investigations~~**there are no Proceedings** pending or ~~Proceedings~~ threatened~~, before any Governmental Authority having jurisdiction over~~ **against** the IESO or its properties: (a) asserting the invalidity of this Agreement or the Act, (b) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Act, or (c) seeking a determination or ruling that could reasonably be expected to materially and adversely affect the performance by the IESO of its obligations under, or the validity or enforceability of, this Agreement or the Act.

(g) Approvals. No approvals, authorizations, consents, orders or other actions or filings with any Governmental Authority are required for the IESO to execute, deliver and perform its obligations under this Agreement except those which have previously been obtained or made.

(h) Information.~~(i)~~ At the date hereof and as of each applicable Closing Date, **except in respect of information provided by a third party,** all written information, as amended or supplemented from time to time, provided by the Transferor to the Issuer with respect to the Regulatory Asset is true and correct in all material respects and does not omit any material facts.

~~(ii) Each report and certificate delivered in connection with any filing made or information provided to the Board by the IESO in connection with the Act, including on behalf of the Issuer with respect to Clean Energy Adjustments, will constitute a representation and warranty by the IESO that each such report or certificate, as the case may be, is true and correct in all material respects; provided, however, that, to the extent any such report or certificate is based in part upon or contains assumptions, forecasts or other predictions of future events, the representation and warranty of the IESO with respect thereto will be limited to the representation and warranty that such assumptions, forecasts or other predictions of future events are reasonable based upon historical performance (and facts known to the IESO on the date such report or certificate is delivered).~~

(i) The Transfer. ~~On~~**After the completion of the Transfer on** the applicable Closing Date, the ~~specified portion of the Regulatory Asset as set forth in the applicable Transfer Notice shall be validly Transferred to the Issuer and the~~ IESO will have no right, title or interest in the ~~related~~ Investment Interest **related to the Specified Portion of the Regulatory Assets** as set forth in the applicable Transfer Notice and the related Investment Interest shall not form part of the estate of the IESO in the event of an Insolvency Event in respect of the IESO.

(j) No Transfer. Except ~~pursuant to any Co-Owner Agreement, no portion of~~**for Permitted Transfers,** the ~~Regulatory Asset~~**IESO** has ~~been~~**not** sold, transferred, assigned~~,~~ **or otherwise conveyed any interest in the Regulatory Asset to any Person.**

(k) Liens. IESO has not pledged or otherwise ~~conveyed by the IESO~~**granted a Lien** to any Person ~~other than the Issuer or the Indenture Trustee, and,~~**in the Regulatory Asset and** to the IESO's knowledge (after due inquiry), ~~no security agreement,~~**there is no registered** financing statement ~~or equivalent security or lien instrument~~ listing the IESO as debtor covering ~~all or a portion of the Regulatory Asset (or the corresponding Investment Interest upon the Transfer thereof) is on file or of record in any jurisdiction, except such as may have been filed or recorded in favour of the Issuer or the Indenture Trustee in connection with the Program Agreements.~~(k) ~~Title. The IESO is the sole owner of the specified portion of the Regulatory Asset that is to be Transferred to the Issuer on~~

~~the applicable Closing Date, free and clear of all Liens~~**or extending to the Regulatory Asset**.

(l) Tax Liens. ~~After due inquiry, the~~**The** IESO **(i)** is not aware**, after due inquiry,** of any judgment or tax lien filing against the IESO**, and (ii) is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada)**.

(m) Solvency. On the date hereof and after giving effect to each Transfer, the IESO:

~~(i) is solvent and expects to remain solvent;~~

(i) ~~(ii)~~ reasonably believes that it will be able to pay its debts as they come due; and

(ii) ~~(iii)~~ is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

(n) No Court Order. There is no order by any court that seeks to enjoin the performance of any obligations of the IESO under the Act or this Agreement.

4.2 Survival

The representations and warranties set forth in Section 4.1 shall survive the execution and delivery of this Agreement, each Transfer of an Investment Interest to the Issuer and the pledge thereof to the Indenture Trustee pursuant to the Indenture and may not be waived by any party hereto except pursuant to a written agreement executed in accordance with Section 8.1 and as to which the Rating Agency Condition has been satisfied.

4.3 Limitations on Representations and Warranties

Notwithstanding anything in this Agreement to the contrary, the IESO makes no representation or warranty **with respect to the collectability of the Issuer Share of Servicer CEA Receipts or** that the Issuer~~'s~~ Share of Servicer CEA ~~Collections will~~**Receipts** be sufficient to satisfy ~~in full~~ the Issuer's Funding Obligations.

ARTICLE 5
COVENANTS OF THE IESO

5.1 Existence

~~Subject to Section 3.9, so~~**So** long as any **Issuer** Funding Obligations are outstanding, the IESO (a) will keep in full force and effect its existence and remain validly

existing under the laws of the Province of Ontario, and (b) will obtain and preserve its qualifications to do business in each jurisdiction in which such qualification is or will be necessary to protect the validity and enforceability of this Agreement and each other instrument or agreement to which the IESO is a party necessary for the proper administration of this Agreement and the transactions contemplated hereby.

5.2 No Transfer or Liens

Except for ~~(a) the~~ Transfers under this Agreement to the Issuer or ~~any Lien for the benefit of the Specified Creditors or the Indenture Trustee, and (b) following the Co-Owner Implementation Date, Transfers to other Financing Entities who enter into a Co-Owner Agreement with the Issuer and Liens granted in connection therewith to Persons advancing Funding Obligations to such other Financing Entities, the IESO will not sell, pledge, assign or transfer to any other Person, or~~ **Permitted Transfers, the IESO will not Transfer the Regulatory Asset or any portion thereof to any person. The IESO will not** grant, create, incur, assume or suffer to exist any Lien on~~, any portion of~~ the Regulatory Asset~~, whether existing as of the applicable Closing Date or thereafter created, or any interest therein~~ **or any portion thereof**. The IESO will not at any time assert any Lien against or with respect to the Issuer Investment Interest, and will defend the right, title and interest of the Issuer and of the Indenture Trustee, on behalf of the Specified Creditors, in, to and under the Issuer Investment Interest against all claims of third parties claiming through or under the Transferor.

5.3 Notice of Liens

The IESO shall notify the Issuer and the Indenture Trustee promptly after becoming aware of any Lien on any portion of the Regulatory Asset~~, other than the Transfers hereunder and any Lien pursuant to the Program Agreements~~.

5.4 Compliance with Law

The IESO will comply with all Requirements of Law applicable to, and binding upon, the IESO or relating to the Regulatory Asset~~,~~ the Investment Asset or Investment Interests, except to the extent that failure to so comply would not materially adversely affect the Issuer's~~,~~ **or** the Indenture Trustee's ~~or the Specified Creditors'~~ interests in the Issuer Investment Interest~~ under any of the Program Agreements~~, the value of the Issuer Investment Interest, the timing or amount of Clean Energy Adjustments payable by Specified Consumers or the IESO's performance of its obligations under this Agreement; provided, however, that the foregoing is not intended to, and shall not, impose any liability on the IESO for non-compliance with any Requirement of Law that the IESO is contesting in good faith in accordance with its customary standards and procedures.

5.5 Covenants Related to the Investment Interest

(a) So long as any Issuer Funding Obligations are outstanding, the IESO shall treat the Issuer Investment Interest as the Issuer's property for all purposes.

(b) Except for passive investments held for employee benefit purposes, the IESO shall not at any time become a holder of Issuer Funding Obligations ~~other than Funding Rebates~~.

(c) The IESO shall disclose the effects of all transactions between the IESO and the Issuer in accordance with generally accepted accounting principles (for government entities).

~~(d) The IESO agrees that upon completion of a Transfer, the IESO shall reduce the balance in the Fair Hydro Variance Account by the Purchase Price and will adjust the Regulatory Asset accordingly.~~

(d) ~~(e)~~ (i) ~~in~~**In** all Proceedings relating directly or indirectly to the Issuer Investment Interest, the IESO shall affirmatively certify and confirm that it has Transferred all of its rights and interests in and to the ~~specified portion~~**Specified Portion** of the Regulatory Asset giving rise to the Issuer Investment Interest, (ii) the IESO shall not make any statement or reference in respect of the Issuer Investment Interest that is inconsistent with the ownership interest of the Issuer, **and** (iii) the IESO shall not take any action in respect of the Issuer Investment Interest except solely in its capacity as the Servicer thereof pursuant to this Agreement~~, and (iv) the IESO shall not sell any portion of the Regulatory Asset pursuant to the Act to any other Person unless a Co-Owner Agreement has been entered into and the Rating Agency Condition has been satisfied with respect thereto~~.

5.6 Non-petition Covenants

Notwithstanding any prior termination of this Agreement or the Indenture, the IESO shall not, prior to the date that is one year plus one day after termination of the Indenture and the payment in full of all Issuer Funding Obligations and any other amounts owed under the Indenture, petition or otherwise invoke the process of any Governmental Authority for the purpose of commencing or sustaining a Proceeding against the Issuer under any Canadian bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official or any substantial part of the property of the Issuer.

5.7 Disclosure

The IESO shall provide ~~all~~**such non-confidential** information regarding ~~the~~ IESO, the ~~IESO Deferral, the~~ Regulatory Asset ~~or~~**and** the services provided by the Servicer hereunder (collectively, the "**IESO Disclosure**") as may be reasonably requested by the Issuer for

inclusion in any offering document of the Issuer from time to time, including but not limited to offering memoranda, prospectuses, registration statements and continuous disclosure documents and represents that**, except in respect information provided by a third party,** all such information is, **as** at the respective dates of delivery to the Issuer, true and correct in all material respects, contains no misrepresentation and constitutes full, true and plain disclosure of all material facts relating to the IESO Disclosure.

5.8 Further Assurances

Upon the request of the Issuer, the IESO shall execute and deliver such further instruments and do such further acts as may reasonably be necessary to carry out the provisions and purposes of this Agreement.

~~5.9 Co-Owner Agreements~~

~~The IESO shall not continue as or become a party to any purchase and sale agreement or similar arrangement (other than this Agreement) under which it sells all or any portion of the Regulatory Asset unless (i) the Rating Agency Condition shall have been satisfied, (ii) the Indenture Trustee, the Transferor and the other parties to such additional arrangement shall have entered into a Co-Owner Agreement in connection therewith, and (iii) the terms of the documentation evidencing such purchase and sale arrangement or similar arrangement shall expressly exclude the Issuer Investment Interest (including the Issuer Share of any Servicer CEA Collections) from any receivables, rights or other assets pledged or sold under such arrangement and unless the purchaser under such arrangement is a Financing Entity.~~

5.9 ~~5.10~~ Access to Certain Records and Information Regarding Investment Interest

The IESO shall provide to the Issuer and the Indenture Trustee access to all records relating to the IESO Deferral, the Fair Hydro Variance Account, the IESO Segregated Account and Servicer CEA ~~Collections~~**Receipts**, as is reasonably required for the Issuer and the Indenture Trustee to confirm compliance by the IESO with its obligations under this Agreement~~ and any other Program Agreements to which the IESO is a party~~. Access shall be afforded without charge, but only upon reasonable request and during normal business hours at the offices of the IESO. Nothing in this Section ~~5.10~~**5.9** shall affect the obligation of the IESO to comply with any Requirement of Law prohibiting disclosure of information, and the failure of the IESO to provide access to such information as a result of such obligation shall not constitute a breach of this Section ~~5.10~~**5.9**.

5.10 ~~5.11~~ Maintenance of Operations

Subject to Section ~~3.7~~**3.12**, the IESO agrees to continue, unless prevented by circumstances beyond its control, to operate as the electricity system operator in the Province of Ontario ~~in order to provide service~~ so long as it is acting as the Servicer under this Agreement.

ARTICLE 6
IESO INDEMNITIES

6.1 Liability of the IESO; Indemnities

(a) The IESO shall indemnify the Issuer, the Indenture Trustee (for itself and for the benefit of the Specified Creditors), the Manager~~, the Administrative Agent~~ and each of their respective trustees, officers, directors, employees and agents (each, an "**Indemnified Party**"), for, and defend and hold harmless each such Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "**Indemnified Losses**") imposed on, incurred by or asserted against any such Person as a result of (i) the failure of the IESO to perform its covenants and other obligations under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; **and** (ii) the IESO's breach of any of its representations or warranties under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and ~~(iii) any litigation and related expenses relating to the IESO's status and obligations as Servicer (other than any Proceeding the IESO is required to institute under this Agreement)~~, except to the extent of Indemnified Losses resulting from the willful misconduct, bad faith or gross negligence of such Person seeking indemnification hereunder; provided that, in each case, the IESO shall not be required to indemnify an Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any Proceeding or investigation without the written consent of the IESO, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Party of notice ~~(or, in the case of the Indenture Trustee, receipt of notice by a Responsible Officer only)~~ of the commencement of any Proceeding or investigation, such Indemnified Party shall, if a claim in respect thereof is to be made against the IESO under this Section 6.1(a), notify the IESO in writing of the commencement thereof. Failure by an Indemnified Party to so notify the IESO shall relieve the IESO from the obligation to indemnify and hold harmless such Indemnified Party under this Section 6.1(a) only to the extent that the IESO suffers actual prejudice as a result of such failure. With respect to any Proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.1(a), the IESO shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Party, the defence of any such Proceeding or investigation (in which case the IESO shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Party except as set forth below); provided, that the Indemnified Party shall have the right to participate in such Proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the IESO's election to assume the defence of any Proceeding or investigation, the Indemnified Party

shall have the right to employ separate counsel, and the IESO shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the defendants in any such action include both the Indemnified Party and the IESO and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it that are different from or additional to those available to the IESO, (ii) the IESO shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, (iii) the IESO ~~shall authorize~~**authorizes** the Indemnified Party to employ separate counsel at the expense of the IESO, or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the IESO shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Parties other than one local counsel, if appropriate. The IESO will not, without the prior written consent of the Indemnified Party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or Proceeding in respect of which indemnification may be sought under this Section 6.1(a) (whether or not the Indemnified Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising out of such claim or Proceeding.

(b) For purposes of Section 6.1(a), in the event of the termination of the rights and obligations of the IESO (or any successor thereto pursuant to Section ~~3.7~~**3.12**) as Servicer pursuant to Section 7.1, or a resignation by such Servicer pursuant to **Section 3.11 of** this Agreement, the IESO shall be deemed to be the Servicer pending appointment of a Successor Servicer pursuant to Section 7.2.

(c) Indemnification under Section 6.1(a) shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable legal fees and expenses), except as otherwise expressly provided in this Agreement.

(d) Indemnification under this Section 6.1 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Act and shall survive the resignation or removal of the Indenture Trustee or the termination of this Agreement and will rank *pari passu* with other general, unsecured obligations of the IESO. ~~Other than provided in the preceding sentence, the~~

(e) **The** IESO shall not **be required to** indemnify any party under this Section 6.1 for any **losses resulting from** changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision.

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(f) ~~(e)~~ Except to the extent expressly provided in this Agreement (including the payment of the Purchase Price), the IESO hereby releases and discharges the Issuer ~~and the Indenture Trustee,~~ and each of ~~their respective~~**its** trustees, officers, directors and agents (collectively, the "**Released Parties**"), from any and all actions, claims and demands whatsoever, whenever arising, which the IESO, in its capacity as Servicer or otherwise, shall or may have against any such Person relating to the Investment Interest or the IESO's activities with respect thereto, other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

ARTICLE 7
SERVICER DEFAULT

7.1 Servicer Default

If any one or more of the following events (each, a "**Servicer Default**") shall occur and be continuing:

(a) any failure by the Servicer to remit to the Collection Account ~~on behalf of the Issuer~~ any required remittance that shall continue unremedied for a period of **[two/three] [NTD: Rating Agencies will expect 2-3 days]** Business Days after written notice of such failure is received by the Servicer from the Issuer ~~(with a copy to the Indenture Trustee)~~ or the Indenture Trustee or after discovery of such failure by a Responsible Officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, duly to observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in this Agreement (other than as provided in Section 7.1(a)) or any other Program Agreement to which it is a party, which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer ~~(with a copy to the Indenture Trustee)~~ or to the Servicer or the IESO, as the case may be, by the Indenture Trustee or (B) such failure is discovered by a Responsible Officer of the Servicer;

(c) any representation or warranty made by the Servicer in this Agreement, any other Program Agreement or in any Monthly Report, shall prove to have been incorrect when made, which has a material adverse effect on the Issuer, the Indenture Trustee or any other Specified Creditor and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the

same to be remedied, shall have been delivered to the Servicer (with a copy to the Indenture Trustee) by the Issuer or the Indenture Trustee or (ii) such failure is discovered by a Responsible Officer of the Servicer;

(d) an Insolvency Event occurs with respect to the Servicer or the IESO; **or**

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs; ~~or~~

~~(f) the termination or withdrawal of the "Servicing Guarantee" under the Provincial Protection and Assurances Agreement. **[NTD: Subject to finalization of the Provincial Protection and Assurances Agreement.]**~~

then, and in each and every case, the Indenture Trustee shall, upon the instruction of the Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, subject to the terms of any Co-Owner Agreement, by notice then given in writing to the Servicer (and to the Indenture Trustee if given by the Specified Creditors) (a "**Termination Notice**"), terminate all the rights and obligations (other than the obligations set forth in Section 6.1 and the obligation under Section 7.2 to continue performing its functions as Servicer until a Successor Servicer is appointed) of the Servicer under this Agreement and under the Co-Owner Agreement. In addition, upon a Servicer Default described in Section 7.1(a), the Specified Creditors and the Indenture Trustee (or any of their representatives) shall be entitled to apply to a court of appropriate jurisdiction for an order for sequestration and payment of revenues arising with respect to the ~~Investment Interest.~~**Issuer.** On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Agreement, whether with respect to the Investment Interest, the Clean Energy Adjustments or otherwise, shall, without further action, pass to and be vested in such Successor Servicer as may be appointed under Section 7.2; and, without limitation, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of all documents and records related to the Regulatory Asset, ~~the IESO Deferral,~~ the Fair Hydro Variance Account and related documents or records, or otherwise (the "**Records**"). The predecessor Servicer shall cooperate with the Successor Servicer, the Issuer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the Successor Servicer for administration by it of all Records and all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Investment Interest or the Clean Energy Adjustment. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Records to the Successor Servicer. If a Successor Servicer has been appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable legal fees and expenses) incurred in connection with transferring the Records to the Successor Servicer and amending this Agreement and any Co-Owner Agreement to reflect such succession as Servicer pursuant to this Section 7.1 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. Termination of the IESO as Servicer shall

not terminate the IESO's rights or obligations under this Agreement (except rights thereunder deriving from its rights as the Servicer hereunder).

7.2 Appointment of Successor Servicer

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 7.1 or the Servicer's resignation or removal in accordance with the terms of this Agreement, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, until a Successor Servicer shall have assumed in writing the obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Indenture Trustee may, and at the written direction and with the consent of the Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture** shall, but subject to the provisions of the applicable Co-Owner Agreement, appoint a Successor Servicer with the Issuer's prior written consent thereto (which consent shall not be unreasonably withheld), and the Successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuer. If, within 30 days after the delivery of the Termination Notice, a Successor Servicer shall not have been appointed, the Indenture Trustee may, at the direction of Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, petition a court of competent jurisdiction to appoint a Successor Servicer under this Agreement. A Person shall qualify as a Successor Servicer only if (i) such Person is permitted under the Act to perform the duties of the Servicer, (ii) the Rating Agency Condition shall have been satisfied with respect to such appointment, (iii) such Person enters into a master transfer and servicing agreement with the Issuer having substantially the same provisions as this Agreement and (iv) such Person agrees to perform the obligations of the Servicer under any Co-Owner Agreement. In no event shall the Indenture Trustee be liable for its appointment of a Successor Servicer. The Indenture Trustee's expenses incurred under this Section 7.2(a) shall be at the sole expense of the Issuer and payable from the Collection Account as provided in **[Section 8.02]** of the Indenture.

(b) Upon appointment, the Successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter placed on the predecessor Servicer and shall be entitled to all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

7.3 Waiver of Past Defaults

The Indenture Trustee, with the written consent of Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, may waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to the Collection Account in accordance with this Agreement. Upon any such waiver of a past

default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

7.4 Notice of Servicer Default

The Servicer shall deliver to the Issuer, the Manager, the Indenture Trustee and the Rating Agencies promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice of any event that, with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 7.1.

7.5 Cooperation with Successor Servicer

The Servicer covenants and agrees with the Issuer that it will, on an ongoing basis, cooperate with the Successor Servicer and provide whatever information is, and take whatever actions are, reasonably necessary to assist the Successor Servicer in performing its obligations hereunder.

ARTICLE 8
MISCELLANEOUS

8.1 Amendment

~~(a)~~ This Agreement may be amended in writing by the IESO ~~and~~, the Issuer ~~with (i) the prior written consent of~~ **and** the Indenture Trustee~~, and (ii) the~~ **and with** satisfaction of the Rating Agency Condition. Promptly after the execution of any such amendment ~~or consent~~, the Issuer shall furnish copies of such amendment ~~or consent~~ to each of the Rating Agencies.

8.2 Withholding Rights

The parties shall be entitled to deduct and withholding from amounts payable under this Agreement such amounts as each is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

8.3 No Partnership

Each party expressly disclaims any intention to create a partnership, and none of the Issuer, the **IESO or the Indenture Trustee will be deemed to be carrying on business in partnership by reason of its execution and delivery of this Agreement or the exercise or performance by it of its respective rights and obligations hereunder.**

~~(b) Prior to the execution of any amendment to this Agreement, the Issuer and the Indenture Trustee shall be entitled to receive and rely upon an Opinion of Counsel, which counsel may be an employee of or counsel to the Issuer or the IESO and which shall be reasonably satisfactory to the Indenture Trustee, or, in the Indenture Trustee's sole judgment, external counsel of the IESO stating that the execution of such amendment is authorized and permitted by this Agreement and that all conditions precedent provided for in this Agreement relating to such amendment have been complied with. The Issuer and the Indenture Trustee may, but shall not be obligated to, enter into any such amendment that affects their own rights, duties, indemnities or immunities under this Agreement or otherwise.~~

8.4 ~~8.2~~ Notices

Any notice, report or other communication given hereunder shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (b) upon receipt when sent by an overnight courier, (c) on the date personally delivered to an authorized officer of the party to which sent, or (d) on the date transmitted by electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the IESO, in its capacity as Transferor or Servicer:

Independent Electricity System Operator
~~[Address]~~**120 Adelaide Street West, Suite 1600**
Toronto, Ontario M5H 1T1

Attention: ~~■~~
Chief Financial Officer, General Counsel and Associate General Counsel
Email: ■

(b) in the case of the Issuer or the Manager (on behalf of the Issuer):

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

(c) in the case of the Indenture Trustee:

■
[Address]

Attention: ■
Email: ■

Each party hereto may, by notice given in accordance herewith to the other party or parties hereto, designate any further or different address to which subsequent notices, reports and other communications shall be sent. Any notice, report or communication required to be given by the IESO hereunder to a Rating Agency shall be given to the address provided by the Issuer from time to time.

8.5 ~~8.3~~ Assignment

Notwithstanding anything to the contrary contained herein, except as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the IESO.

8.6 ~~8.4~~ Limitations on Rights of Third Parties

The provisions of this Agreement are solely for the benefit of the IESO, the Issuer and, to the extent provided herein or in the other Program Agreements, the Indenture Trustee (for its own benefit and for the benefit of the Specified Creditors) and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Issuer Investment Interest or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

8.7 ~~8.5~~ Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.8 ~~8.6~~ Separate Counterparts; Electronic Delivery

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by a party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

8.9 ~~8.7~~ Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party to this Agreement attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

8.10 ~~8.8 Assignment~~Grant of Security Interest to Indenture Trustee

The IESO hereby acknowledges and consents to ~~any mortgage, pledge, assignment and~~the grant of a ~~security interest~~Lien by the Issuer to the Indenture Trustee pursuant to the Indenture for the benefit of the Specified Creditors ~~of~~against all right, title and interest of the Issuer in, to and under this Agreement, the Investment Interest and the proceeds thereof and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Specified Creditors. ~~In no event shall the Indenture Trustee have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder or in any of the certificates delivered pursuant hereto, as to all of which any recourse shall be had solely to the assets of the Issuer subject to the availability of funds therefor under Section [8.02] of the Indenture.~~

8.11 ~~8.9~~ Limitation of Liability of Indenture Trustee

It is expressly understood and agreed by the parties hereto that this Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee on behalf of the Specified Creditors, in the exercise of the powers and authority conferred and vested in it. The Indenture Trustee in acting hereunder is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

8.12 ~~8.10~~ Limitation of Liability of the Issuer Trustee

(a) It is expressly understood and agreed by the parties hereto that the Issuer Trustee is acting solely in its capacity as trustee of the Issuer, and not in any other capacity. The Issuer solely shall be responsible for the performance of the Issuer's obligations hereunder and the assets of the Issuer solely shall be subject to levy or execution in satisfaction of such obligations.

(b) The Issuer Trustee will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's

activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by the Issuer Trustee to be taken, or the Issuer Trustee's failure to compel in any way any former or acting Issuer Trustee to redress any breach of trust with respect to the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, provided that the foregoing limitation will not apply in respect of action or failure to act arising from or in connection with dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee, in doing anything or permitting anything to be done in respect of the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, is, and will be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section ~~8.10~~**8.12**, the Issuer Trustee will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the Issuer Trustee owned in its personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

(c) The holders of the units of the Issuer will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by it to be taken. The holders of the units of the Issuer will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the holders of the units of the Issuer owned in their personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

8.13 ~~**8.11**~~ **Waivers**

Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof; provided, however, that no such waiver delivered by the Issuer shall be effective unless the Indenture Trustee has given its prior written consent thereto. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party, with prompt written notice of any such waiver to be provided to the Rating Agencies. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor

in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

~~**8.12 Indenture Trustee Actions**~~

~~In acting hereunder, the Indenture Trustee shall have the rights, protections and immunities granted to it under the Indenture.~~

~~**8.13 Issuer Trustee**~~

~~In acting hereunder, the Issuer Trustee shall have the rights, protections and immunities granted to it under the Declaration of Trust.~~

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By:
Name:
Title:

By:
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

By:
Name:
Title:

By:
Name:
Title:

~~**ACKNOWLEDGED AND ACCEPTED:**~~

[INDENTURE TRUSTEE]
as Indenture Trustee

By:
Name:
Title:

By:
Name:
Title:

EXHIBIT A

FORM OF TRANSFER NOTICE

See attached

TRANSFER NOTICE

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

This Transfer Notice is delivered to you pursuant to Section 2.1 of a master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted by~~ **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Master Transfer and Servicing Agreement.

The Transferor hereby gives notice to the Issuer of its ~~desire~~**offer** to transfer to the Issuer on the Closing Date set out below, on a fully serviced basis, the ~~specified portion~~**Specified Portion** of the Regulatory Asset set out below, all in accordance with the terms and conditions of the Master Transfer and Servicing Agreement. In consideration for (i) the Transferor's Transfer to the Issuer of the ~~specified portion~~**Specified Portion** of the Regulatory Asset set out below, on a fully serviced basis, ~~**[and (ii) the Transferor's agreement to pay to the Issuer all (a) Funding Costs, (b) Finance Reserve Deposits, (c) Financing Entity Expenses, and (d) Tax Liabilities (net of Tax Refunds) that are incurred by the Issuer in connection with such Transfer,]**~~[4] the Issuer shall deliver or cause to be delivered to the Transferor on the Closing Date set out below, by wire transfer in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set out below.

Upon receipt by the Transferor of the Purchase Price on the Closing Date, (i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price**,** and the Regulatory Asset shall be adjusted accordingly; and (ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any

[4] ~~Funding Rebate language to be included in Transfer Notice only when Clean Energy Adjustment is not being charged.~~

adverse claim, and shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest.

Specified portion of Regulatory Asset: $■

Purchase Price: $■

Closing Date: ■

The Transferor hereby represents, warrants and confirms that:

(i) each of the representations and warranties on the part of the Transferor contained in the Master Transfer and Servicing Agreement are true and correct in all respects on the date hereof as if made on the date hereof;

(ii) the Transferor is not in breach of any of its covenants in the Master Transfer and Servicing Agreement; and

(iii) as of the date hereof, each condition precedent that must be satisfied by the Transferor under Section 2.2 of the Master Transfer and Servicing Agreement is capable of being satisfied prior to Closing Date.

The closing shall take place at ■ (Toronto time) on the Closing Date referred to above at the offices of ■, except as may be otherwise mutually agreed. **The Purchase Price shall be paid on that date by bank wire transfer to [insert IESO bank account details].**

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

The undersigned hereby accepts the foregoing offer.

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT B

FORM OF MONTHLY REPORT

See Attached

MONTHLY REPORT

[NTD: Subject to continuing review by the Dealers and ~~Counsel to confirm form of Monthly IESO Report~~their counsel.]

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted~~ by **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Report have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ~~3.3~~■ of the Master Transfer and Servicing Agreement the Servicer hereby certifies in respect of the Billing Period corresponding to the calendar month of ■, ■, as follows:

	Item	**Amount**
(A)	Servicer CEA ~~Collections~~**Receipts**:	$■
(B)	Balance of Collection Account:	$■

[NTD: Any additional information considered necessary for OPG/IESO to be included.]

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT C

FORM OF MONTHLY ~~FUNDING REBATE~~CARRYING COSTS STATEMENT

See Attached

MONTHLY ~~FUNDING REBATE~~CARRYING COSTS STATEMENT

TO: INDEPENDENT ELECTRICITY SYSTEM OPERATOR
[Address]

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted by~~ **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly ~~Funding Rebate~~**Carrying Costs** Statement have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ~~3.4(a)~~**3.14** of the Master Transfer and Servicing Agreement, the undersigned hereby certifies that the Monthly ~~Funding Expenses incurred by the Issuer~~**Carrying Costs** in respect of the calendar month of ■, ■ are as follows:

~~Monthly Funding Expense~~	**Amount**
Funding ~~Costs~~**costs**:	$■
~~Finance Reserve Deposits~~**Derivative payments to be made**:	$■
Amounts deposited into accounts other than capital accounts:	**$■**
Financing ~~Entity Expenses~~**entity expenses**:	$■
Tax ~~Liabilities (net of Tax Refunds)~~**liabilities**:	$■
~~Total Monthly Funding Expense~~**Subtotal**:	$■
LESS:	
Amounts withdrawn from accounts other than capital accounts:	
Derivative payments to be received:	
Tax refunds:	**$■**
Subtotal:	**$■**
Monthly Carrying Costs	**$■**

~~**[NTD: Any additional information considered necessary for OPG/IESO to be included.]**~~

In accordance with Section ~~3.4~~**3.14**(b) of the Master Transfer and Servicing Agreement, the undersigned hereby directs you to deliver to the Issuer, by wire transfer to the account set forth below, an amount in Canadian dollars equal to the ~~Total~~ Monthly ~~Funding Expense~~**Carrying Costs** set forth above on or before ■, 20■, and this shall be your good and valid authority for so doing.

[NTD: Wire transfer instructions to be provided by OPG.]

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Document comparison by Workshare Compare on October-25-17 12:04:10 PM

Input:	
Document 1 ID	file://C:\Users\rramchan\Desktop\Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version).docx
Description	Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version)
Document 2 ID	interwovenSite://INVENTORYS1/TorysAtWork/24367979/3
Description	#24367979v3<TorysAtWork> - Fair Hydro - MTSA (Osler Oct 20 Draft)
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	437
Deletions	421
Moved from	29
Moved to	29
Style change	0
Format changed	0

Total changes	916

SECURITY AGREEMENT

THIS AGREEMENT made as of the ____ day of December, 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital established by the *Electricity Act, 1998*, SO, 1998,

(hereinafter referred to as the "**Grantor**"),

IN FAVOUR OF: -

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario,

(hereinafter referred to as the "**Secured Party**"),

ACKNOWLEDGED AND ACCEPTED BY:

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee,

(hereinafter referred to as the "**Indenture Trustee**"),

WHEREAS under Regulation 206/17 made under the *Ontario Fair Hydro Plan Act, 2017* (the "**Regulation**"), the Grantor is required to pay and remit to the Secured Party any amounts charged to the Grantor by the Secured Party in respect of Carrying Costs of the Secured Party during the period beginning on April 1, 2017 and ending on June 30, 2021 (the "**Statutory Obligation**");

AND WHEREAS the Grantor (collectively referred to as the "**Parties**") has agreed to enter into a security agreement in favour of the Secured Party as security for, inter alia, the performance of the Statutory Obligation;

AND WHEREAS this Agreement has been assigned by the Secured Party, by way of security, to the Indenture Trustee and the Indenture Trustee wishes to acknowledge and accept the terms of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that, for and in consideration of the premises, mutual covenants and conditions herein contained and such other lawful and valuable consideration the receipt of sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. INTERPRETATION

1.1 Defined Terms

In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

(a) "**Account**" shall have the meaning attributed to such term in the PPSA;

(b) "**Appropriation**" shall have the meaning ascribed to such term in the *Financial Administration Act*, R.S.O. 1990, c. F-12, as amended;

(c) "**Breach**" shall have the meaning attributed to such term in Section 6.1;

(d) "**Business Day**" means any day other than a Saturday or a Sunday on which banks generally are open for business in Toronto, Ontario;

(e) "**Carrying Costs**" shall have the meaning attributed to such term in the Regulation;

(f) "**Collateral**" shall have the meaning attributed to such term in Section 2.1;

(g) "**Excluded Accounts**" means all amounts payable to the Grantor pursuant to Appropriations;

(h) "**Money**" shall have the meaning attributed to such term in the PPSA;

(i) "**Permitted Liens**" means liens approved in writing by the Secured Party and the Indenture Trustee ;

(j) "**PPSA**" means the *Personal Property Security Act* (Ontario), as amended from time to time, and any regulations thereto;

(k) "**Proceeds**" shall have the meaning attributed to such term in the PPSA;

(l) **"Receiver"** shall have the meaning attributed to such term in Section 6.2 of this Agreement;

(m) "**Regulation**" shall have the meaning attributed to such term in the recitals hereto;

(n) "**Statutory Obligation**" shall have the meaning attributed to such term in the recitals hereto.

1.2 Other Usages

References to "this Agreement", "hereof", "herein", "hereto" and like references refer to this Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.3 Plural and Singular

Where the context so requires, the words importing the singular number shall include the plural and vice versa.

1.4 Headings

The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Applicable Law

This Agreement and all documents delivered pursuant hereto shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Parties do hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

1.6 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.7 Time of the Essence

Time shall in all respects be of the essence of this Agreement.

1.8 Recitals and Schedules

Each and every one of the recitals and schedules which are referred to in this Agreement and attached to this Agreement shall form an integral part of this Agreement.

2. SECURITY INTEREST

2.1 Grant of Security Interest

As general and continuing security for the payment and performance of the Statutory Obligation, the Grantor hereby assigns, transfers, sets over and grants a first-priority security interest to the Secured Party in the following (collectively, the "**Collateral**"):

(a) all Accounts, debts, choses in action and demands of every nature and kind, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Grantor, excluding Excluded Accounts;

(b) all deeds, documents, writings, papers and books relating to or being records of the property described in Section 2.1(a); and

(c) all Proceeds and renewals of the foregoing, in whatever form, together with all substitutions therefore.

Whenever used elsewhere in this Agreement, the expression "**security interest**" refers to the security interest created in this Section 2.1.

2.2 Attachment of Security Interest

The Grantor acknowledges and agrees that (i) value has been given, (ii) the Grantor has rights in the Collateral, and (iii) the security interest shall attach to existing Collateral upon execution of this Agreement by the Grantor and to each item of after-acquired Collateral at the time that the Grantor acquires any rights therein.

3. COVENANTS OF THE GRANTOR

3.1 Covenants

The Grantor hereby covenants and agrees with the Secured Party as follows:

(a) Not to pay any other obligations of the Grantor at any time when its Statutory Obligation to pay Carrying Costs is in arrears, except to the extent that such other obligations are satisfied from amounts payable to the Grantor pursuant to Appropriations.

(b) To promptly pay all taxes, assessments, rates, levies, payroll deductions, vacation pay, workers' compensation assessments, and any other charges which could result in the creation of a statutory lien or deemed trust in respect of the Collateral.

(c) To defend the Collateral against the claims and demands of all other persons claiming the same or an interest therein and to promptly notify the Secured Party of any such claim or demand.

(d) To deliver to the Secured Party such information concerning the Collateral or the Grantor as the Secured Party may reasonably request from time to time.

(e) To do, make, execute and deliver such further and other assignments, transfers, deeds, agreements and other documents as may be required by the Secured Party to establish in favour of the Secured Party the security interest intended to be created hereby and to accomplish the intention of this Agreement.

3.2 Performance of Covenants by the Secured Party

The Secured Party may, in its sole discretion and upon notice to and at the expense of the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform and that the Secured Party is capable of performing, provided that the Secured Party will not be obligated to perform any such covenant on behalf of the Grantor and no such performance by the

Secured Party will require the Secured Party further to perform the Grantor's covenants nor operate as a derogation of the rights and remedies of the Secured Party under this Agreement.

4. DEALING WITH COLLATERAL

4.1 Grantor's Rights before Breach

Until the occurrence of a Breach and subject to the terms hereof, the Grantor shall be entitled to deal with the Collateral in the ordinary course of business, provided however, that no such action shall be taken which would impair the effectiveness of the security interests created hereby or the value of the Collateral or which would be inconsistent with or violate the Regulation, the provisions of this Agreement or any other written agreement between the Secured Party and the Grantor.

4.2 General Restrictions

The Grantor shall not, without the prior written consent of the Secured Party:

(a) sell, lease or otherwise dispose of the Collateral or any part thereof except in the ordinary course of business;

(b) release, surrender or abandon possession of the Collateral or any part thereof; or

(c) enter into or grant, create, assume or suffer to exist any mortgage, charge, hypothec, assignment, pledge, lien or other security interest or encumbrance affecting any of the Collateral except the Permitted Liens.

4.3 Release by the Secured Party

The Secured Party may, at its discretion but subject to the written approval of the Indenture Trustee, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Statutory Obligation either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

5. REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties

The Grantor hereby represents and warrants to the Secured Party, the matters set out below:

(a) **Incorporation and Qualifications** – The Grantor is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite power and authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it, and to execute, deliver and carry out the terms of this Agreement.

(b) **Corporate Authority and Power** – The Grantor has the requisite power and authority to execute and deliver this Agreement and to carry out its terms. The

execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary action on the part of the Grantor under all applicable laws.

(c) **No Other Business Names or Styles** – The Grantor does not carry on business under or use any name or style other than the name(s) specified in Schedule A to this Agreement including.

(d) **Non-Conflict** – Neither the execution nor the performance of this Agreement requires the approval of any regulatory agency having jurisdiction over the Grantor nor is this Agreement in contravention of or in conflict with the by-laws or resolutions of the directors or shareholders of the Grantor or of the provisions of any agreement to which the Grantor is a party or by which any of its property may be bound or of any statute, regulation, by-law, ordinance or other law, or to the best of its knowledge of any judgement, decree, award, ruling or order to which the Grantor or any of its property may be subject, other than approvals that have been obtained.

(e) **Ownership of Collateral Free of Liens** – The Grantor is the owner of or has rights in the Collateral free and clear of any liens other than Permitted Liens.

(f) **Grantor Information** – Schedule A sets forth (a) the Grantor's jurisdiction of incorporation, (b) the location of the Grantor's registered office and business operations and records, and (c) the Grantor's exact legal name (in English and French).

(g) **Enforceability** – This Agreement constitutes a valid and legally binding obligation of the Grantor enforceable against it in accordance with its terms, subject to general equitable principles, including the fact that the availability of equitable remedies, such as injunctive relief and specific performance, is in the discretion of the court.

5.2 Reliance and Survival

All representations and warranties of the Grantor made in this Agreement or in any certificate or other document delivered by or on behalf of the Grantor to or for the benefit of the Secured Party are material, shall survive the execution and delivery of this Agreement and shall continue in full force and effect without time limit. The Secured Party shall be deemed to have relied upon each such representation and warranty notwithstanding any investigation made by or on behalf of the Secured Party at any time.

6. BREACH AND ENFORCEMENT

6.1 Enforceability of Security

The security hereby constituted shall become enforceable upon the occurrence of any of the following events each of which shall constitute a "**Breach**":

(a) the Grantor is in breach of the Statutory Obligation;

(b) any representation or warranty made or deemed made by or on behalf of the Grantor to the Secured Party under or in connection with this Agreement shall be materially false on the date as of which made; or

(c) any breach by the Grantor of any of the covenants, terms or provisions of Article 3 of this Agreement.

6.2 Remedies

At any time after the happening of any Breach, the Secured Party shall have the following rights, powers and remedies:

(a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Secured Party so desires; it being agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Secured Party hereunder;

(b) to make payments to parties having prior charges or encumbrances on the Collateral;

(c) to preserve, protect and maintain the Collateral;

(d) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement;

(e) to sell or dispose of all or any part of the Collateral whether by public or private sale or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including without limitation, terms that provide time for payment on credit;

(f) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;

(g) to notify the account debtors or obligors under any Accounts (other than Excluded Accounts) of the assignment of such Accounts to the Secured Party and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Grantor thereunder directly to the Secured Party and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Grantor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done; and

(h) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Secured Party, the Receiver or the Grantor for the purpose of exercising any of the rights, powers and remedies set out in this Section, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral.

6.3 Special Rules re Accounts

After the security hereby constituted becomes enforceable,

(a) all Money or other form of payment received by the Grantor in respect of all of its Accounts shall be received in trust for the benefit of the Secured Party hereunder, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Secured Party in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 6.8; and

(b) the Grantor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

6.4 Receiver as Agent

The Receiver shall be deemed to be the agent of the Grantor for the purpose of establishing liability for the acts or omissions of the Receiver and the Secured Party shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Grantor hereby irrevocably authorizes the Secured Party to give instructions to the Receiver relating to the performance of its duties as set out herein.

6.5 Expenses of Enforcement

The Grantor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, legal fees and disbursements on a full indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Secured Party and the Receiver as required all amounts of Money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Grantor to the Secured Party and the Receiver pursuant to this Section 6.5 shall be payable on demand.

6.6 Indulgences and Releases

Either the Secured Party or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Grantor, debtors of the Grantor, sureties and others and with the Collateral and other security as the Secured Party or the Receiver may see fit without prejudice to the Statutory Obligation or the right of the Secured Party and the Receiver to repossess, hold, collect and realize the Collateral.

6.7 No Liability for Failure to Exercise Remedies

The Secured Party and the Receiver shall not be liable or accountable to the Grantor or to any other person for any failure to exercise any of the rights, powers and remedies set out in this Agreement, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Secured Party, the Receiver, the Grantor or any other party in respect of the same.

6.8 Proceeds of Disposition

All Moneys received by the Secured Party or by the Receiver pursuant to Section 6.2 shall be applied as follows:

(a) first, in payment of all costs and expenses incurred by the Secured Party in the exercise of all or any of the powers granted to it under this Agreement and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 6.5;

(b) second, in payment of all amounts of Money borrowed or advanced by either of the Secured Party or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;

(c) third, in payment of the Statutory Obligation, provided that if there are not sufficient Moneys to fully pay and perform the Statutory Obligation, the Secured Party may apply the Moneys available to such part or parts thereof as the Secured Party, in its sole discretion, may determine; and

(d) fourth, in payment of any surplus in accordance with applicable law.

6.9 Grantor Liable for Deficiency

If the Moneys received by the Secured Party or the Receiver pursuant to Section 6.2 are not sufficient to pay the claims set out in Section 6.8, the Grantor shall immediately pay the Secured Party the amount of such deficiency.

6.10 Restriction on Grantor

Upon the Secured Party taking possession of the Collateral or the appointment of a Receiver, all the powers, functions, rights and privileges of the Grantor or any officer, director, servant or agent of the Grantor with respect to the Collateral shall, to the extent permitted by applicable law, be suspended unless specifically continued by the written consent of the Secured Party; however, all other powers, functions, rights and privileges of the Grantor or any officer, director, servant or agent of the Grantor shall be unaffected by such events.

6.11 Rights Cumulative

All rights and remedies of the Secured Party set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute.

6.12 Care by the Secured Party

The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in the Secured Party's possession if it takes such action for

that purpose as the Grantor requests in writing, but failure of the Secured Party to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Secured Party to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Grantor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

6.13 Application by Grantor re: Receiver

The Grantor hereby irrevocably waives its right to make an application to any court with respect to the appointment, powers or remuneration of the Receiver.

7. GENERAL

7.1 Waiver

Any breach by the Grantor of any of the provisions contained in this Agreement or any default by the Grantor in the observance or performance of any covenant or condition required to be observed or performed by the Grantor hereunder, may only be waived by the Secured Party in writing, provided that no such waiver by the Secured Party shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

7.2 The Secured Party as Attorney

The Grantor hereby irrevocably appoints the Secured Party and any person further designated by the Secured Party to be the attorney of the Grantor for and in the name of the Grantor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Grantor is obliged to sign, execute or do hereunder and, after the happening of any Breach, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Grantor in the exercise of all or any of the powers hereby conferred on the Secured Party. These powers are coupled with an interest, have been given for valuable consideration (the receipt and adequacy of which is acknowledged), survive, and do not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Grantor, and are irrevocable until the Statutory Obligation has been satisfied in full and this Agreement is terminated and the security interest created herein has been released. This power of attorney extends to and is binding upon the Grantor's successors and permitted assigns. The Grantor authorizes the Secured Party to delegate in writing to another person any power and authority of the Secured Party under this power of attorney as may be necessary or desirable in the opinion of the Secured Party, and to revoke or suspend such delegation.

7.3 Further Assurances

The Grantor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party shall reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party a security interest in the Collateral, or which the Grantor may hereafter become bound to charge in favour of the Secured Party, for the purpose of accomplishing and effecting the intention of this Agreement.

7.4 Amalgamation of the Grantor

The Grantor acknowledges and agrees that in the event that it amalgamates with any other persons, then (i) the Collateral and the security interest shall extend to and include all of the property and undertaking that any of the amalgamating corporations then owns, all of the property and undertaking that the amalgamated corporation thereafter acquires, all of the property and undertaking in which any of the amalgamating corporations then has any interest, and all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest, and (ii) all references herein to the Grantor shall extend to and include the amalgamated corporation.

7.5 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Statutory Obligation until the Statutory Obligation is paid and performed in full.

7.6 Notices

All notices and other communications provided for herein shall be in writing and shall be personally delivered to an officer or other responsible employee of the addressee or sent by facsimile, charges prepaid, at or to the applicable address or facsimile number, as the case may be, of the party set opposite its name below or at or to such other address or addresses or facsimile number or numbers as either party may from time to time designate to the other party in such manner. Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of delivery. Any communication which is transmitted by facsimile as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of transmission.

In the case of the Grantor:

Independent Electricity System Operator
[Address]

Attention: ■
Email: ■
Facsimile: ■

In the case of the Secured Party:

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■
Facsimile: ■

7.7 Assignment

The Secured Party may from time to time upon notice to, but without the consent of the Grantor, assign or transfer this Agreement to any other person (the "**Assignee**"). The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Secured Party. The Grantor shall not be entitled to assign or transfer this Agreement or any of the Grantor's rights, duties or obligations hereunder without the prior written consent of the Secured Party.

7.8 Successors and Assigns

This Agreement shall enure to the benefit of the Secured Party and its successors and assigns and shall be binding upon the Grantor and its successors and permitted assigns.

7.9 Amendments

This Agreement may not be amended or otherwise modified except by an instrument in writing executed by all the Parties.

7.10 Entire Agreement

This Agreement and the agreements referred to herein and any document, agreement or instrument delivered pursuant to such agreements constitute the entire agreement between the Parties and supersede any prior agreements, undertakings, declarations, representations and undertakings, both written and verbal, in respect of the subject matter hereof.

7.11 Receipt of Agreement and Financing Statement.

The Grantor hereby acknowledges receipt of an executed copy of this Agreement and of the financing statement registered under the PPSA evidencing the security interest created hereby.

7.12 Counterpart

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

7.13 Delivery by Facsimile or Electronic Transmission

This Agreement may be executed and delivered by facsimile or electronic transmission and each of the Parties may rely on such facsimile or electronic signature as though such facsimile signature were an original signature.

[NEXT PAGE IS SIGNATURE PAGE]

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date first written above.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC., as Secured Party

By: _____
Name:
Title:

By: _____
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Grantor

By: _____
Name:
Title:

By: _____
Name:
Title:

ACKNOWLEDGED AND ACCEPTED:

[INDENTURE TRUSTEE]
as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

GRANTOR INFORMATION

1. **Grantor's exact legal name: Independent Electricity System Operator**

   ■ [French]

2. **Grantor's jurisdiction of incorporation: Ontario**

3. **Grantor's registered office address: ■**

4. **Location of Grantor's business operations and records: ■**

From:	Hanslep, Malle (MOF)
To:	Sarah Harris
Cc:	Tobias P. Whitfield (MOF)
Subject:	FW: Fair Hydro -- Revised MTSA and IESO Security Agreement
Date:	Wednesday, October 25, 2017 2:45:46 PM
Attachments:	#24367979v3_TorysAtWork_ - Fair Hydro - MTSA (Osler Oct 20 Draft).DOCX Blackline_Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version) - 24367979v3.pdf IESO Security Agreement.docx

Hi – These are a lot of documents.

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: October 25, 2017 12:12 PM
To: Mansoori, Nina; Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
Cc: Feldman, Michael; Olusoga, Yinka; Saulnier, Brett; Ramchandani, Rima; WONG Leslie -LAWDIV; 'LEE John -TREASURY'; RYFA Ken -TREASURY
Subject: RE: Fair Hydro -- Revised MTSA and IESO Security Agreement

Malle and team, attached is a revised draft of the MTSA (clean and blacklined to the prior draft circulated to Steve), together with an initial draft of the IESO security agreement (as a reminder, in order to achieve a AAA rating in light of the moratorium period, it has been proposed that IESO enter into this security agreement in favour of the financing entity as security for the performance of its regulatory obligation to pay carrying costs during the moratorium).

FYI, these documents are currently under review by the IESO and Stikeman.

Rima

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: Mansoori, Nina
Sent: October-24-17 5:21 PM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; STEPHEN.ASHBOURNE@blakes.com
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: RE: Fair Hydro -- Form of ISDA Schedule

All,

We attach a draft Schedule for an ISDA Master Agreement to be used for hedging purposes in connection with the issuance of Fair Hydro debt. This draft is subject to the working group's review and comment.

Best Regards,

Nina

Nina Mansoori
P. 416.865.7332

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MASTER TRANSFER AND SERVICING AGREEMENT

between

[FINANCING ENTITY]
as Issuer

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

- and -

■
as Indenture Trustee

Dated as of ■, 2017

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Exhibit A – Form of Transfer Notice

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Exhibit C – Form of Monthly Carrying Costs Statement

MASTER TRANSFER AND SERVICING AGREEMENT

THIS AGREEMENT made as of ■, 2017.

BETWEEN:

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario

(the "**Issuer**")

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital amalgamated under the laws of the Province of Ontario

(the "**Transferor**" in its capacity as transferor, the "**Servicer**", in its capacity as servicer, and the "**IESO**" in its capacity as both Transferor and Servicer)

- and -

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee

(the "**Indenture Trustee**")

WHEREAS the Government of Ontario has enacted the *Ontario Fair Hydro Act, 2017* (the "**Act**") for the purpose of, among other things, ensuring that clean energy costs and clean energy benefits (each as defined in the Act) are fairly allocated among present and future Specified Consumers;

AND WHEREAS, under the Act, the IESO is required to establish and maintain the Fair Hydro Variance Account, and has the right under the Act and the Regulations to record certain amounts in the Fair Hydro Variance Account and recover the balance from time to time of the Fair Hydro Variance Account from Specified Consumers (such right, the "**Regulatory Asset**");

AND WHEREAS the IESO may from time to time, in accordance with the Act, Transfer a Specified Portion of the Regulatory Asset to the Issuer on a fully-serviced basis, and pursuant to Section 26(3) of the Act, such a Transfer results in (i) a reduction in the balance in the Fair Hydro Variance Account, (ii) the corresponding adjustment of the Regulatory Asset, and (iii) the acquisition by the Issuer of an Investment Interest corresponding to the Specified Portion of the Regulatory Asset;

AND WHEREAS the Issuer may finance the acquisition from the IESO, from time to time, of an Investment Interest through the incurrence of Funding Obligations under the Indenture;

AND WHEREAS the Issuer will grant a security interest over all of the Issuer Investment Interest to and in favour of the Indenture Trustee on behalf of all Specified Creditors;

AND WHEREAS in connection with its ownership of the Issuer Investment Interest and in order to collect the associated Clean Energy Adjustments in accordance with the Act, the Issuer desires to engage the Servicer to carry out the services described herein and the Servicer desires to be so engaged;

AND WHEREAS the Indenture Trustee has been appointed pursuant to the Indenture to act on behalf of all Specified Creditors (as defined in the Indenture) and wishes to acknowledge and accept the rights and obligations granted to it thereby, including, but not limited to, its rights set forth in this Agreement.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**Act**" has the meaning ascribed thereto in the recitals;

"**Agreement**" means this master transfer and servicing agreement, as amended, supplemented, modified, restated or replaced from time to time, and the expressions "herein", "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and not to any Article, Section, paragraph, subparagraph or clause hereof;

"**Billing Period**" means a calendar month in which the Clean Energy Adjustment is billed to Specified Consumers;

"**Board**" means the Ontario Energy Board, a statutory corporation without share capital continued under the *Ontario Energy Board Act, 1998*, S.O., 1998;

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

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations;

"**CEA Consumer Invoice Amounts**" means amounts invoiced by an Electricity Vendor to Specified Consumers in respect of the Clean Energy Adjustment based on the rates established by the Board;

"**Clean Energy Adjustment**" has the meaning ascribed to the term "clean energy adjustment" in the Act;

"**Closing Date**" means the date on which a Transfer is completed as specified in the applicable Transfer Notice;

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the parties hereto and any other owner or owners of an Investment Interest as contemplated by Section 29(5) of the Act in form and substance satisfactory to the parties hereto, acting reasonably;

"**Co-Owner Implementation Date**" means the date, if any, upon which the Issuer Investment Interest ceases to be the only Investment Interest outstanding representing the full Investment Asset;

"**Collection Account**" has the meaning ascribed thereto in Section **[8.02(a)]**[1] of the Indenture;

"**Daily Remittance Event**" means the occurrence of either: (i) a Servicer Default or (ii) the IESO (or any successor thereto) ceasing to have the Required Servicer Rating;

"**Declaration of Trust**" means the declaration of trust made as of ■, 2017 under which the Issuer was established, as may be supplemented, amended, replaced or amended and restated from time to time;

"**Electricity Vendor**" has the meaning ascribed to the term "electricity vendor" in the Act;

"**Electricity Vendor CEA Collections**" means payments actually received by Electricity Vendors from Specified Consumers in respect of Clean Energy Adjustments;

"**Electricity Vendor Billing Period Report**" means a report as contemplated by Section 17(s) of the Act from each Electricity Vendor in respect of each Billing Period where Clean Energy Adjustments are billed to Specified Consumers containing:

(a) its total CEA Consumer Invoice Amounts in such Billing Period;

(b) its total Electricity Vendor CEA Collections during such Billing Period; and

(c) such other information as may be agreed to.

"**Eligible Deposit Account**" means an account in Canada with an Eligible Institution;

"**Eligible Institution**" means:

1 All cross-references to the Indenture to be conformed to the final version of the Indenture.

(a) at any time before the Co-Owner Implementation Date, an "Eligible Institution" as defined in the Indenture; and

(b) at any time on or after the Co-Owner Implementation Date, an "Eligible Institution" as defined in the applicable Co-Owner Agreement;

"**Fair Hydro Variance Account**" means the variance account established by the IESO pursuant to Section 24(1) of the Act;

"**Financing Entity**" has the meaning ascribed to the term "financing entity" in the Act;

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act;

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

"**IESO**" or "**Independent Electricity System Operator**" means the Independent Electricity System Operator, a statutory corporation without share capital established by the *Electricity Act, 1998*, SO, 1998;

[NTD: The Issuer may at some point have to publicly file this Agreement, and a copy of it will be circulated to the rating agencies. Therefore, it seems prudent not to include IESO bank account details in the Agreement.]

"**IESO Deferral**" has the meaning ascribed to the term "IESO deferral" in the Act;

"**IESO Disclosure**" has the meaning ascribed thereto in Section 5.7;

"**IESO Segregated Account**" has the meaning ascribed thereto in Section means the account established under Section 3.4(a);

"**Indemnified Losses**" has the meaning ascribed thereto in Section 6.1(a);

"**Indemnified Party**" has the meaning ascribed thereto in Section 6.1(a);

"**Indenture**" means the master trust indenture dated ■, 2017 between the Indenture Trustee and the Issuer;

"**Indenture Trustee**" means ■, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee for the benefit of Specified Creditors, or any successor thereto, under the Indenture;

"**Insolvency Event**" means, with respect to a specified Person, the specified Person admits the inability of such specified Person to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of such specified Person or otherwise

acknowledges the insolvency of such specified Person or any proceeding shall be instituted by or against such specified Person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization, moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, trustee or other similar official for such specified Person or for any substantial part of its property and if such proceeding has been instituted against such specified Person either such proceeding has not been stayed or dismissed within **[45]** days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part, or if a receiver is privately appointed in respect of such specified Person or of the property of such specified Person or any substantial part thereof;

"**Investment Asset**" has the meaning ascribed to the term "investment asset" in the Act;

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act;

"**Issuer**" means ■, a trust formed under the laws of the Province of Ontario;

"**Issuer Funding Obligations**" means the Funding Obligations of the Issuer;

"**Issuer Investment Interest**" means, initially, the Investment Interest acquired by the Issuer pursuant to the first Transfer completed under this Agreement and, upon the completion of each Transfer thereafter, the cumulative Investment Interest acquired by the Issuer;

"**Issuer Share**" means:

(a) at any time before the Co-Owner Implementation Date, 100%; and

(b) at any time on or after the Co-Owner Implementation Date, the percentage determined in accordance with the applicable Co-Owner Agreement;

"**Issuer Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Issuer at such time;

"**Lien**" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind;

"**Management Agreement**" means the management agreement dated ■, 2017 between the Manager and the Issuer;

"**Manager**" means OPG, in its capacity as manager of the Issuer, and any successor appointed in accordance with the Management Agreement;

"**Minister**" means the Minister of Energy or such other member of the Executive Council as may be assigned the administration of the Act under the *Executive Council Act*;

"**Monthly Carrying Costs**" has the meaning ascribed thereto in Section 3.14(b);

"**Monthly Carrying Costs Statement**" has the meaning ascribed thereto in Section 3.14(b);

"**Monthly Report**" has the meaning ascribed thereto in Section 3.5(a);

"**Officer's Certificate**" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section **[10.01]** of the Indenture, and delivered to the Indenture Trustee;

"**OPG**" means Ontario Power Generation Inc., a corporation established under the laws of the Province of Ontario;

"**Opinion of Counsel**" means one or more written opinions of counsel, which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party;

"**Permitted Successor**" means any successor to the IESO under the Act, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, conversion, acquisition, sale or transfer, by operation of law, as a result of any restructuring, or otherwise, but only to the extent such successor is approved by the Minister;

"**Permitted Transfer**" means (i) a Transfer to the Issuer pursuant to this Agreement; and (ii) a Transfer to a person who has entered into a Co-Owner Agreement with, inter alia, the Issuer.

"**Person**" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority;

"**Proceeding**" means any suit in equity, action at law or other judicial or administrative proceeding;

"**Program Agreements**" has the meaning ascribed thereto in the Indenture;

"**Purchase Price**" has the meaning ascribed thereto in Section 2.1(a);

"**Rating Agency**" has the meaning ascribed thereto in the Indenture;

"**Rating Agency Condition**" has the meaning ascribed thereto in the Indenture;

"**Records**" has the meaning ascribed thereto in Section 7.1;

"**Regulations**" means Ontario Regulation 206/17: General, together with any other regulations promulgated under the Act;

"**Regulatory Asset**" has the meaning ascribed thereto in the recitals;

"**Released Parties**" has the meaning ascribed thereto in Section 6.1(f);

"**Remittance Date**" means, in respect of each Billing Period, the **[3rd]** Business Day following the last day of each Billing Period;

"**Required Servicer Rating**" means ■; **[NTD: Definition to tie to loss of investment grade credit rating.]**

"**Requirement of Law**" means any foreign, Canadian federal, provincial or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law;

"**Responsible Officer**" means, with respect to: (a) the Issuer, any authorized director or officer of the Manager; (b) the Servicer, any authorized director or officer of the IESO; (c) a Successor Servicer, any authorized director or officer of the Successor Servicer; and (d) the Indenture Trustee, any officer of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject);

"**Servicer**" means the Independent Electricity System Operator, as Servicer under this Agreement, or any Successor Servicer to the extent permitted under this Agreement;

"**Servicer CEA Receipts**" has the meaning ascribed thereto in Section 3.4(e);

"**Servicer Default**" has the meaning ascribed thereto in Section 7.1;

"**Specified Consumer**" has the meaning ascribed to the term "specified consumer" in the Act;

"**Specified Creditors**" has the meaning ascribed thereto in the Indenture;

"**Specified Portion**" means, in respect of the Regulatory Asset and any Transfer, the portion of the Regulatory Asset subject to such Transfer, as set out in the applicable Transfer Notice.

"**Successor Servicer**" has the meaning ascribed thereto in Section **[3.07(e)]** of the Indenture;

"**Supplemental Indenture**" means an indenture supplemental to the Indenture that authorizes the incurrence of Funding Obligations;

"**Termination Event**" has the meaning ascribed thereto in Section ■;

"**Termination Notice**" has the meaning ascribed thereto in Section 7.1;

"**Transfer**" has the meaning ascribed to the term "transfer" in the Act, and "**Transferred**" has a corresponding meaning;

"**Transfer Notice**" means a Transfer Notice in respect of a Transfer substantially in the form of Exhibit A to this Agreement and delivered pursuant to Section 2.1(a) of this Agreement; and

"**Transferor**" means the Independent Electricity System Operator, as transferor under this Agreement;

1.2 Sections and Headings[2]

The table of contents does not form part of this Agreement. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

(a) Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. A reference to any agreement, instrument or declaration means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or replaced from time to time.

(b) The term "**including**" means "including without limitation", and other forms of the verb "**include**" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated, in the computation of a period of time from a specified date to a later specified date, the word "**from**" means "**from and including**" and each of the words "**to**" and "**until**" means "**to but excluding**".

(e) The words "**hereof**", "**herein**" and "**hereunder**" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, unless otherwise specified. References to Articles, Sections, Appendices and Exhibits in this Agreement are references to Articles, Sections, Appendices and Exhibits in or to this Agreement unless otherwise specified.

(f) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor.

(g) The word "**will**" shall be construed to have the same meaning and effect as the word "**shall**". The word "**or**" is not exclusive.

2 Torys to conform boilerplate provisions, as applicable, across all transaction documents.

ARTICLE 2
TRANSFER OF SPECIFIED PORTIONS OF THE REGULATORY ASSET

2.1 Transfer Notices and Agreement to Transfer a Specified Portion of the Regulatory Asset

(a) The Transferor may, no more frequently than monthly and no later than the 8th Business Day of any calendar month, offer to Transfer to the Issuer a Specified Portion of the Regulatory Asset by providing to the Issuer a Transfer Notice executed by the Transferor and setting out (i) the Specified Portion of the Regulatory Asset that the Transferor is offering to Transfer to the Issuer, (ii) the consideration to be paid to the Transferor by the Issuer for the Transfer (the "**Purchase Price**") which shall be equal to the amount of such Specified Portion of the Regulatory Asset, (iii) the Closing Date to effect such transfer which shall be no earlier than the **[5th]** Business Day after the delivery of the Transfer Notice and no later than the last Business Day of the calendar month in which the Transfer Notice was delivered, or such other Business Day as may be agreed by the Transferor and the Issuer, and (iv) such other information as required in the form of Transfer Notice attached as Exhibit A hereto.

(b) On or before the 2nd Business Day following receipt of a Transfer Notice, the Issuer shall have the right, but not the obligation, to accept the Transferor's offer to Transfer the Specified Portion of the Regulatory Asset subject to the Transfer Notice by executing and returning such Transfer Notice to the Transferor. Upon acceptance by the Issuer of the Transfer Notice, there shall be a binding agreement for IESO to Transfer the Specified Portion of the Regulatory Asset and for the Issuer to pay the Purchase Price, subject to satisfaction of all conditions precedent in Section 2.2.

(c) Provided that all conditions precedent set out in Section 2.2 have been satisfied on or prior to the applicable Closing Date, on the applicable Closing Date, the Issuer shall deliver or cause to be delivered to the Transferor, by bank wire transfer or bank electronic funds transfer, in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set forth in the applicable Transfer Notice. The Transferor agrees that receipt by the Transferor of the payment referred to in this Section 2.1(c) is receipt by the Transferor of a payment referred to in Section 26(3) of the Act.

(d) Upon receipt by the Transferor of the payment referred to in Section 2.1(c), the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price received and shall retain no further right, title or interest in the corresponding Issuer Investment Interest.

(e) The parties intend that this Agreement, together with each Transfer Notice accepted by the Issuer, constitute an agreement, for purposes of Section 27(2) of the Act for the Transferor to dispose, upon receipt by the Transferor of the payment referred to

in Section 2.1(d), of a Specified Portion of the Regulatory Asset and to assign, convey or sell a corresponding Investment Interest to the Issuer.

2.2 Conditions Precedent to each Transfer of a Specified Portion of the Regulatory Asset

(a) The obligation of the Issuer to pay the Purchase Price related to the initial Transfer of a Specified Portion of the Regulatory Asset shall be subject to the satisfaction by the Transferor, or waiver by the Issuer and the Indenture Trustee, of the following conditions:

(i) the Issuer and the Indenture Trustee shall have received from the Transferor the following documents, in form and substance satisfactory to each of the Issuer and the Indenture Trustee:

(A) a certificate of an officer of the IESO, dated the initial Closing Date certifying (1) that attached thereto is a true and complete copy of the by-laws of the IESO, each as in effect on the date of such certificate, (2) that attached thereto is a true and complete copy of a resolution adopted by the IESO's board of directors authorizing the execution, delivery and performance of this Agreement and the performance by the IESO of its obligations hereunder, and that such resolution has not been modified, rescinded or amended and is in full force and effect, and (3) as to the incumbency and true specimen signature of each of the IESO officers or delegates executing this Agreement and authorized to give notices and instructions hereunder (which can be changed by notice hereunder); and

(B) the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them. **[NTD: Scope of opinions required to be confirmed by the Dealers and their counsel]**

(b) The obligation of the Issuer to pay the Purchase Price related to each Transfer of a Specified Portion of the Regulatory Asset (including the initial Transfer) shall be subject to the satisfaction or waiver by the Issuer and the Indenture Trustee of each of the following conditions:

(i) as of the applicable Closing Date, all Program Agreements shall have been entered into on terms and conditions satisfactory to the Issuer and the Indenture Trustee and shall be in full force and effect as of such Closing Date;

(ii) as of the applicable Closing Date, no Insolvency Event in respect of the Transferor shall have occurred and the Transferor is not aware of any pending Insolvency Event with respect to itself;

(iii) as of the applicable Closing Date, (A) the representations and warranties of the IESO in this Agreement must be true and correct with the same force and effect as if made on that date (except to the extent they relate to an earlier date), (B) no breach of any covenant or agreement of the IESO contained in this Agreement shall have occurred be continuing, and (C) no Servicer Default shall have occurred and be continuing;

(iv) on or prior to the applicable Closing Date, the Transferor shall have taken all action required to provide for the Transfer, upon payment of the Purchase Price, of the Specified Portion of the Regulatory Asset as set forth in the applicable Transfer Notice on the Closing Date, free and clear of all Liens other than Liens created by the Issuer pursuant to the Program Agreements;

(v) the Transferor shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate confirming the satisfaction of each condition precedent specified in Sections 2.2(b)(i), (ii), (iii) and (iv);

(vi) as of the applicable Closing Date, (A) the Issuer shall have sufficient funds available to pay the Purchase Price as set forth in the applicable Transfer Notice, (B) all conditions to any incurrence of Funding Obligations intended to provide such funds set forth in the Indenture (and any applicable Supplemental Indenture) or other instrument shall have been satisfied or waived, (C) the Rating Agency Condition in respect of the issuance of the Funding Obligations funding the payment of the Purchase Price shall have been satisfied, and (D) the Funding Obligation required to fund the payment of the Purchase Price shall have been issued at the same time as, or prior to, the Transfer; and

(vii) after giving effect to the Transfer, each of the Fair Hydro Variance Account and the Regulatory Asset will have a balance or amount, as applicable, equal to or greater than zero.

ARTICLE 3
ROLE OF THE SERVICER

3.1 Designation of Servicer

Each Transfer of a specified portion of the Regulatory Asset shall be made on the basis that the related Issuer Investment Interest shall be serviced by the Servicer in accordance with this Article 3, and the IESO or any Permitted Successor of the IESO that is the Servicer shall not be entitled to receive any further compensation from the Issuer for its services in connection therewith. The Servicer agrees to perform the duties and obligations of the Servicer pursuant to the terms hereof at no additional cost to the Issuer.

3.2 Forecast of Electricity Consumption

The IESO shall:

(a) provide to the Board and the Financial Services Manager the forecasts of electricity consumption by Specified Consumers as contemplated by Section 8(3) of the Regulations; and

(b) provide to the Board and the Financial Services Manager such other information and reports as the Board or the Financial Services Manager may reasonably request in connection with the calculation of the Clean Energy Adjustments and which is reasonably available to the Transferor without incurring material incremental expense.

3.3 ISO Deferral

The IESO shall:

(a) determine the IESO Deferral as required by Section 23 of the Act and the Regulations; and

(b) maintain the Fair Hydro Variance Account as required by Section 24 of the Act and the Regulations.

3.4 Clean Energy Adjustments and Electricity Vendors

The Servicer shall:

(a) prior to receiving Servicer CEA Receipts, establish an Eligible Deposit Account (the "**IESO Segregated Account**") bearing a designation indicating that the funds deposited therein are held in trust for the benefit of the Issuer and, after the Co-Owner Implementation Date, for the benefit of any other owner or owners of an Investment Interest. If at any time the IESO Segregated Account ceases to be an Eligible Deposit Account, the Servicer shall within 30 days establish a new IESO Segregated Account as an Eligible Deposit Account and shall transfer any cash and/or any investments held in the former account to such new account and make all future deposits to such new account;

(b) prior to the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, make reasonable efforts to work with each Electricity Vendor to:

(i) establish a segregated account into which Electricity Vendor CEA Collections are to be deposited as required by Section 10(2) of the Regulations;

(ii) settle a form of Electricity Vendor Billing Period Report to be used by such Electricity Vendor; and

(iii) establish procedures for the invoicing by such Electricity Vendor of amounts in respect of the Clean Energy Adjustment, the identification, deposit and segregation of Electricity Vendor CEA Collections, the remittance of Electricity Vendor CEA Collections to the Servicer and reporting to the Servicer; **[NTD: Generally, someone will need to take responsibility for educating the Electricity Vendors and we believe the IESO is best positioned to take on this role given its existing relationships and opportunities to interact with the EVs.]**

(c) request certification from each Electricity Vendor that the segregated account required by Section 10(2) of the Regulations has been established by that Electricity Vendor;

(d) as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive Electricity Vendor CEA Collections from Electricity Vendors;

(e) as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive any amounts in respect of Clean Energy Adjustments payable directly by Specified Consumers to the Servicer (such amounts, together with the amounts referred to in Section 3.4(d), the "**Servicer CEA Receipts**");

(f) deposit the Servicer CEA Receipts into the IESO Segregated Account promptly following receipt by the Servicer and, in any event, within [two Business Days] of receipt by the Servicer and the Issuer Share of such Servicer CEA Receipts shall remain in the IESO Segregated Account until remitted in accordance with Section 3.6;

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

(h) request from each Electricity Vendor an Electricity Vendor Billing Period Report in respect of each Billing Period during which Clean Energy Adjustments are billed to Specified Consumers; such report to be requested to be delivered within ■ Business Days of the end of each Billing Period;

(i) review each Electricity Vendor Billing Period Report received by the Servicer for material manifest discrepancies including any discrepancy between the Electricity Vendor CEA Collections reported in respect of the Billing Period and the amount remitted pursuant to Section 3.4(d);

(j) make reasonable efforts to contact each Electricity Vendor that:

(i) does not deliver an Electricity Vendor Billing Period Report in respect of a Billing Period where Clean Energy Adjustments were payable by Specified Consumers;

(ii) does not remit any Electricity Vendor CEA Collections in accordance with Section 3.4(d) or remits Electricity Vendor CEA Collections that do not match the amount thereof reported in its Electricity Vendor Billing Period Report,

(iii) delivers an Electricity Vendor Billing Period Report that has any other material manifest discrepancy detected by the Servicer, or

(iv) does not certify that it has established the segregated account required by Section 10(2) of the Regulations,

and attempt to resolve the applicable issue;

(k) on a periodic basis as requested by the Issuer, review, pursuant to its rights under Section 10(4) of the Regulations, the records maintained by each Electricity Vendor with respect to Clean Energy Adjustments; provided that in the absence of evidence of material non-compliance by an Electricity Vendor with its duties and obligations in respect of Clean Energy Adjustments, the Servicer shall not be required to review the records of a Electricity Vendor more often than ■.

(l) hold the Issuer Share of Servicer CEA Receipts and the Issuer Share of any other proceeds in respect of the Clean Energy Adjustment received by it in trust for the benefit of the Issuer and remit such amounts in accordance with this Section 3.6 without any surcharge, fee, offset, charge or other deduction.

3.5 Reporting

The Servicer shall:

(a) on or before the **[8th Business Day]** following the end of each Billing Period, prepare and deliver to the Issuer a written report substantially in the form of Exhibit B (a "**Monthly Report**");

(b) report to the Issuer any delinquencies by Electricity Vendors in respect of the CEA amounts collected and the remittance of Electricity Vendor CEA Collections;

(c) report to the Issuer any unresolved matters referred to in Section 3.4(j);

(d) promptly notify the Issuer in writing of any Requirement of Law hereafter adopted or announced or the occurrence of any other event or circumstance of which it becomes aware that has a material adverse effect on the Servicer's ability to perform its duties and obligations under this Agreement; and

(e) upon the reasonable request of the Issuer, the Indenture Trustee or any Rating Agency, provide to the Issuer, the Indenture Trustee or such Rating Agency, as the case may be, any public financial information in respect of the Servicer, or any material information regarding the Issuer Investment Interest or the Regulatory Asset, to the extent it is reasonably available to the Servicer and as may be

reasonably necessary and permitted by law, to enable the Issuer, the Indenture Trustee or the Rating Agencies to monitor the performance by the Servicer of its duties and obligations hereunder.

3.6 Remittances

(a) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA Receipts received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period.

(b) Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA Receipts on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account on each Business Day.

3.7 Limits to Obligations

Without in any way limiting the duties and obligations of the Servicer arising under the Act or the Regulations, the parties hereto agree the duties and obligations of the Servicer under this Agreement are limited as provided in this Section 3.7.

(a) The Servicer is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from their customers or not remitted by Electricity Vendors to the Servicer.

(b) The Servicer is not responsible for enforcing the obligations of Specified Consumers or Electricity Vendors to invoice, collect or remit Clean Energy Adjustments or any other amounts.

(c) The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations including (i) the invoicing of Specified Consumers in respect of the Clean Energy Adjustment and ancillary matters related thereto; (ii) the collection from Specified Consumers of amounts due in respect of such invoices and the remittance of such payments to the Servicer; (iii) the accuracy of any information provided by the Electricity Vendors; and (iv) any reporting by the Electricity Vendors, including the reporting to the Servicer of the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and the Issuer Share of Electricity Vendor CEA Collections received by such Electricity Vendor.

(d) The Servicer is under no responsibility or obligation to the Issuer with respect to whether the Clean Energy Adjustments funds remitted by the Servicer to Issuer during any or all periods is sufficient to satisfy the Issuer's obligations.

(e) The Servicer is under no obligation to initiate or prosecute any legal action relating to the collection of the Issuer Investment Interest.

3.8 Servicing and Maintenance Standards

(a) The Servicer shall discharge its duties, responsibilities and obligations hereunder with reasonable care and in material compliance the Requirements of Law, including the Act and the Regulations and shall follow standards, policies and procedures in performing its duties as Servicer hereunder that are customary for an electricity market operator and administrator that regularly performs settlement functions. In furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with reasonable care and in material compliance with applicable Requirement of Laws, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to similar settlement activities on its own account.

(b) The Servicer may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising under this Agreement.

(c) Neither the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment.

3.9 Appointments

The Servicer may at any time appoint any Person to act as its agent to perform all or any portion of its obligations as Servicer hereunder; provided however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided further that the Servicer shall remain obligated and be liable for the performance of its obligations under this Agreement without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were performing such obligations. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, and the Issuer shall not have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section 3.11.

3.10 Term

The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off (in each case, a "**Termination Event**"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.

3.11 Resignation of Servicer

The IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and the Rating Agencies at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and the Rating Agencies concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.12 Mergers

Any Person (a) into which the Servicer may be merged, converted or amalgamated and that is a Permitted Successor, (b) that may result from any merger, conversion or amalgamation to which the Servicer shall be a party and that is a Permitted Successor, (c) that may succeed to the properties and assets of the Servicer substantially as a whole and that is a Permitted Successor, or (d) that otherwise is a Permitted Successor, which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Servicer hereunder, shall be the successor to the Servicer under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 4.1 shall have been breached and no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, (ii) the Servicer shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger or succession and such agreement of assumption complies with this Section 3.12 and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (iii) the Servicer shall have given to the Issuer prior written notice of such transaction. When any Person that is a Permitted Successor acquires the properties and assets of the Servicer substantially as a whole or otherwise becomes the successor, by merger, conversion, consolidation, sale, transfer, lease or otherwise, to all or substantially all the assets of the Servicer in accordance with the terms of this Section 3.12, then, upon satisfaction of all of the other conditions of this Section 3.12, the preceding Servicer shall automatically and without further notice be released from all of its obligations hereunder (except for responsibilities for its actions prior to such release).

3.13 The IESO Not to Resign as Servicer

Subject to the provisions of Section 3.12, the IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and each Rating Agency at the earliest practicable time (and, if such communication is not in writing, shall be

confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and each Rating Agency concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.14 IESO Regulatory Obligation to Pay Carrying Costs

(a) During the period beginning on December 1, 2017 and ending on July 31, 2021, the IESO shall, as required under the Regulations, pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs during the period beginning on June 1, 2017 and ending on July 31, 2021.

(b) On or before the 4th Business Day of each calendar month, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of Exhibit C (a "**Monthly Carrying Costs Statement**") setting out the amount of Carrying Costs in respect of the preceding calendar month ("**Monthly Carrying Costs**").

(c) On or before the 8th Business Day following receipt by the IESO of the Monthly Carrying Costs Statement, the IESO shall, as required under the Regulations, deliver or cause to be delivered to the Issuer, by wire transfer or electronic funds transfer in immediately available funds, an amount in Canadian dollars equal to the Monthly Carrying Costs set forth in the applicable Monthly Carrying Costs Statement.

3.15 IESO Security for CEA Remittances

If required by the Issuer, the IESO shall provide to the Issuer, on or prior to the first day of the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, a letter of credit in an amount equal to $■, or such other form of security as may be acceptable to the Issuer and the Indenture Trustee, as security for any failure of Electricity Vendors, following [July 31, 2021], to remit the Electricity Vendor CEA Collections.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE IESO

4.1 Representations and Warranties

Subject to Section 4.3, the IESO makes the following representations and warranties as of the date hereof and as of each applicable Closing Date, and the IESO acknowledges that the Issuer and the Indenture Trustee will rely thereon in paying the Purchase Price related to Transfers of Specified Portions of the Regulatory Asset, and the Issuer has relied thereon in entering into this Agreement relating to the servicing of the corresponding Investment Interests.

(a) Organization and Good Standing. The IESO is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite corporate power and

authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it.

(b) Due Qualification. The IESO has obtained all necessary licences and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including acting as Servicer under this Agreement) shall require such licences or approvals, except where the failure to so qualify or obtain such licences and approvals would not be reasonably likely to have a material adverse effect on the IESO's business, operations, assets, revenues or properties, the Regulatory Asset or the servicing of related Investment Interests.

(c) Power and Authority. The IESO has the requisite corporate power and authority to execute and deliver this Agreement and to carry out its terms. The IESO has full corporate power and authority to hold the Regulatory Asset and to Transfer Specified Portions of the Regulatory Asset to the Issuer and the IESO has duly authorized such Transfer to the Issuer by all necessary corporate action. The execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary corporate action on the part of the IESO under all applicable laws.

(d) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the IESO, enforceable against the IESO in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof by the IESO do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time, or both) a default under, the IESO's by-laws, or any indenture, or other material agreement or instrument to which the IESO is a party or by which it is bound, result in the creation or imposition of any Lien upon any of the IESO's properties pursuant to the terms of any such indenture, agreement or other instrument or violate any existing law or any order, rule or regulation applicable to the IESO issued by any Governmental Authority having jurisdiction over the IESO or its properties.

(f) No Proceedings. To the IESO's knowledge, there are no Proceedings pending or threatened against the IESO or its properties: (a) asserting the invalidity of this Agreement or the Act, (b) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Act, or (c) seeking a determination or ruling that could reasonably be expected to materially and adversely affect the performance by the IESO of its obligations under, or the validity or enforceability of, this Agreement or the Act.

(g) Approvals. No approvals, authorizations, consents, orders or other actions or filings with any Governmental Authority are required for the IESO to execute, deliver and perform its obligations under this Agreement except those which have previously been obtained or made.

(h) Information. At the date hereof and as of each applicable Closing Date, except in respect of information provided by a third party, all written information, as amended or supplemented from time to time, provided by the Transferor to the Issuer with respect to the Regulatory Asset is true and correct in all material respects and does not omit any material facts.

(i) The Transfer. After the completion of the Transfer on the applicable Closing Date, the IESO will have no right, title or interest in the Investment Interest related to the Specified Portion of the Regulatory Assets as set forth in the applicable Transfer Notice and the related Investment Interest shall not form part of the estate of the IESO in the event of an Insolvency Event in respect of the IESO.

(j) No Transfer. Except for Permitted Transfers, the IESO has not sold, transferred, assigned or otherwise conveyed any interest in the Regulatory Asset to any Person.

(k) Liens. IESO has not pledged or otherwise granted a Lien to any Person in the Regulatory Asset and to the IESO's knowledge (after due inquiry), there is no registered financing statement listing the IESO as debtor covering or extending to the Regulatory Asset.

(l) Tax Liens. The IESO (i) is not aware, after due inquiry, of any judgment or tax lien filing against the IESO, and (ii) is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada).

(m) Solvency. On the date hereof and after giving effect to each Transfer, the IESO:

(i) reasonably believes that it will be able to pay its debts as they come due; and

(ii) is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

(n) No Court Order. There is no order by any court that seeks to enjoin the performance of any obligations of the IESO under the Act or this Agreement.

4.2 Survival

The representations and warranties set forth in Section 4.1 shall survive the execution and delivery of this Agreement, each Transfer of an Investment Interest to the Issuer and the pledge thereof to the Indenture Trustee pursuant to the Indenture and may not be waived by any party hereto except pursuant to a written agreement executed in accordance with Section 8.1 and as to which the Rating Agency Condition has been satisfied.

4.3 Limitations on Representations and Warranties

Notwithstanding anything in this Agreement to the contrary, the IESO makes no representation or warranty with respect to the collectability of the Issuer Share of Servicer CEA Receipts or that the Issuer Share of Servicer CEA Receipts be sufficient to satisfy the Issuer's Funding Obligations.

ARTICLE 5
COVENANTS OF THE IESO

5.1 Existence

So long as any Issuer Funding Obligations are outstanding, the IESO (a) will keep in full force and effect its existence and remain validly existing under the laws of the Province of Ontario, and (b) will obtain and preserve its qualifications to do business in each jurisdiction in which such qualification is or will be necessary to protect the validity and enforceability of this Agreement and each other instrument or agreement to which the IESO is a party necessary for the proper administration of this Agreement and the transactions contemplated hereby.

5.2 No Transfer or Liens

Except for Transfers under this Agreement to the Issuer or Permitted Transfers, the IESO will not Transfer the Regulatory Asset or any portion thereof to any person. The IESO will not grant, create, incur, assume or suffer to exist any Lien on the Regulatory Asset or any portion thereof. The IESO will not at any time assert any Lien against or with respect to the Issuer Investment Interest, and will defend the right, title and interest of the Issuer and of the Indenture Trustee, on behalf of the Specified Creditors, in, to and under the Issuer Investment Interest against all claims of third parties claiming through or under the Transferor.

5.3 Notice of Liens

The IESO shall notify the Issuer and the Indenture Trustee promptly after becoming aware of any Lien on any portion of the Regulatory Asset.

5.4 Compliance with Law

The IESO will comply with all Requirements of Law applicable to, and binding upon, the IESO or relating to the Regulatory Asset, the Investment Asset or Investment Interests, except to the extent that failure to so comply would not materially adversely affect the Issuer's or the Indenture Trustee's interests in the Issuer Investment Interest, the value of the Issuer Investment Interest, the timing or amount of Clean Energy Adjustments payable by Specified Consumers or the IESO's performance of its obligations under this Agreement; provided, however, that the foregoing is not intended to, and shall not, impose any liability on the IESO for non-compliance with any Requirement of Law that the IESO is contesting in good faith in accordance with its customary standards and procedures.

5.5 Covenants Related to the Investment Interest

(a) So long as any Issuer Funding Obligations are outstanding, the IESO shall treat the Issuer Investment Interest as the Issuer's property for all purposes.

(b) Except for passive investments held for employee benefit purposes, the IESO shall not at any time become a holder of Issuer Funding Obligations.

(c) The IESO shall disclose the effects of all transactions between the IESO and the Issuer in accordance with generally accepted accounting principles (for government entities).

(d) (i) In all Proceedings relating directly or indirectly to the Issuer Investment Interest, the IESO shall affirmatively certify and confirm that it has Transferred all of its rights and interests in and to the Specified Portion of the Regulatory Asset giving rise to the Issuer Investment Interest, (ii) the IESO shall not make any statement or reference in respect of the Issuer Investment Interest that is inconsistent with the ownership interest of the Issuer, and (iii) the IESO shall not take any action in respect of the Issuer Investment Interest except solely in its capacity as the Servicer thereof pursuant to this Agreement.

5.6 Non-petition Covenants

Notwithstanding any prior termination of this Agreement or the Indenture, the IESO shall not, prior to the date that is one year plus one day after termination of the Indenture and the payment in full of all Issuer Funding Obligations and any other amounts owed under the Indenture, petition or otherwise invoke the process of any Governmental Authority for the purpose of commencing or sustaining a Proceeding against the Issuer under any Canadian bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official or any substantial part of the property of the Issuer.

5.7 Disclosure

The IESO shall provide such non-confidential information regarding IESO, the Regulatory Asset and the services provided by the Servicer hereunder (collectively, the "**IESO Disclosure**") as may be reasonably requested by the Issuer for inclusion in any offering document of the Issuer from time to time, including but not limited to offering memoranda, prospectuses, registration statements and continuous disclosure documents and represents that, except in respect information provided by a third party, all such information is, as at the respective dates of delivery to the Issuer, true and correct in all material respects, contains no misrepresentation and constitutes full, true and plain disclosure of all material facts relating to the IESO Disclosure.

5.8 Further Assurances

Upon the request of the Issuer, the IESO shall execute and deliver such further instruments and do such further acts as may reasonably be necessary to carry out the provisions and purposes of this Agreement.

5.9 Access to Certain Records and Information Regarding Investment Interest

The IESO shall provide to the Issuer and the Indenture Trustee access to all records relating to the IESO Deferral, the Fair Hydro Variance Account, the IESO Segregated Account and Servicer CEA Receipts, as is reasonably required for the Issuer and the Indenture Trustee to confirm compliance by the IESO with its obligations under this Agreement. Access shall be afforded without charge, but only upon reasonable request and during normal business hours at the offices of the IESO. Nothing in this Section 5.9 shall affect the obligation of the IESO to comply with any Requirement of Law prohibiting disclosure of information, and the failure of the IESO to provide access to such information as a result of such obligation shall not constitute a breach of this Section 5.9.

5.10 Maintenance of Operations

Subject to Section 3.12, the IESO agrees to continue, unless prevented by circumstances beyond its control, to operate as the electricity system operator in the Province of Ontario so long as it is acting as the Servicer under this Agreement.

ARTICLE 6
IESO INDEMNITIES

6.1 Liability of the IESO; Indemnities

(a) The IESO shall indemnify the Issuer, the Indenture Trustee (for itself and for the benefit of the Specified Creditors), the Manager and each of their respective trustees, officers, directors, employees and agents (each, an "**Indemnified Party**"), for, and defend and hold harmless each such Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "**Indemnified Losses**") imposed on, incurred by or asserted against any such Person as a result of (i) the failure of the IESO to perform its covenants and other obligations under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and (ii) the IESO's breach of any of its representations or warranties under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and, except to the extent of Indemnified Losses resulting from the willful misconduct, bad faith or gross negligence of such Person seeking indemnification hereunder; provided that, in each case, the IESO shall not be required to indemnify an Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any Proceeding or investigation without the written consent of the IESO, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Party of notice of the commencement of any Proceeding or investigation, such Indemnified Party shall, if a claim in respect thereof is to be made against the IESO under this Section 6.1(a), notify the IESO in writing of the commencement thereof. Failure by an Indemnified Party to so notify the IESO shall relieve the IESO from the obligation to indemnify and hold harmless such Indemnified Party under this Section 6.1(a) only to the extent that the IESO

suffers actual prejudice as a result of such failure. With respect to any Proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.1(a), the IESO shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Party, the defence of any such Proceeding or investigation (in which case the IESO shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Party except as set forth below); provided, that the Indemnified Party shall have the right to participate in such Proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the IESO's election to assume the defence of any Proceeding or investigation, the Indemnified Party shall have the right to employ separate counsel, and the IESO shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the defendants in any such action include both the Indemnified Party and the IESO and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it that are different from or additional to those available to the IESO, (ii) the IESO shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, (iii) the IESO authorizes the Indemnified Party to employ separate counsel at the expense of the IESO, or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the IESO shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Parties other than one local counsel, if appropriate. The IESO will not, without the prior written consent of the Indemnified Party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or Proceeding in respect of which indemnification may be sought under this Section 6.1(a) (whether or not the Indemnified Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising out of such claim or Proceeding.

(b) For purposes of Section 6.1(a), in the event of the termination of the rights and obligations of the IESO (or any successor thereto pursuant to Section 3.12) as Servicer pursuant to Section 7.1, or a resignation by such Servicer pursuant to Section 3.11 of this Agreement, the IESO shall be deemed to be the Servicer pending appointment of a Successor Servicer pursuant to Section 7.2.

(c) Indemnification under Section 6.1(a) shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable legal fees and expenses), except as otherwise expressly provided in this Agreement.

(d) Indemnification under this Section 6.1 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Act and shall survive the resignation or removal of the Indenture Trustee or the termination of this Agreement and will rank *pari passu* with other general, unsecured obligations of the IESO.

(e) The IESO shall not be required to indemnify any party under this Section 6.1 for any losses resulting from changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision.

(f) Except to the extent expressly provided in this Agreement (including the payment of the Purchase Price), the IESO hereby releases and discharges the Issuer and each of its trustees, officers, directors and agents (collectively, the "**Released Parties**"), from any and all actions, claims and demands whatsoever, whenever arising, which the IESO, in its capacity as Servicer or otherwise, shall or may have against any such Person relating to the Investment Interest or the IESO's activities with respect thereto, other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

ARTICLE 7
SERVICER DEFAULT

7.1 Servicer Default

If any one or more of the following events (each, a "**Servicer Default**") shall occur and be continuing:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of **[two/three] [NTD: Rating Agencies will expect 2-3 days]** Business Days after written notice of such failure is received by the Servicer from the Issuer or the Indenture Trustee or after discovery of such failure by a Responsible Officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, duly to observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in this Agreement (other than as provided in Section 7.1(a)) or any other Program Agreement to which it is a party, which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or to the Servicer or the IESO, as the case may be, by the Indenture Trustee or (B) such failure is discovered by a Responsible Officer of the Servicer;

(c) any representation or warranty made by the Servicer in this Agreement, any other Program Agreement or in any Monthly Report, shall prove to have been incorrect when made, which has a material adverse effect on the Issuer, the Indenture Trustee or any other Specified Creditor and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer (with a copy to the Indenture

Trustee) by the Issuer or the Indenture Trustee or (ii) such failure is discovered by a Responsible Officer of the Servicer;

(d) an Insolvency Event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs;

then, and in each and every case, the Indenture Trustee shall, upon the instruction of the Specified Creditors as provided for under the Trust Indenture, subject to the terms of any Co-Owner Agreement, by notice then given in writing to the Servicer (and to the Indenture Trustee if given by the Specified Creditors) (a "**Termination Notice**"), terminate all the rights and obligations (other than the obligations set forth in Section 6.1 and the obligation under Section 7.2 to continue performing its functions as Servicer until a Successor Servicer is appointed) of the Servicer under this Agreement and under the Co-Owner Agreement. In addition, upon a Servicer Default described in Section 7.1(a), the Specified Creditors and the Indenture Trustee (or any of their representatives) shall be entitled to apply to a court of appropriate jurisdiction for an order for sequestration and payment of revenues arising with respect to the Issuer. On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Agreement, whether with respect to the Investment Interest, the Clean Energy Adjustments or otherwise, shall, without further action, pass to and be vested in such Successor Servicer as may be appointed under Section 7.2; and, without limitation, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of all documents and records related to the Regulatory Asset, the Fair Hydro Variance Account and related documents or records, or otherwise (the "**Records**"). The predecessor Servicer shall cooperate with the Successor Servicer, the Issuer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the Successor Servicer for administration by it of all Records and all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Investment Interest or the Clean Energy Adjustment. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Records to the Successor Servicer. If a Successor Servicer has been appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable legal fees and expenses) incurred in connection with transferring the Records to the Successor Servicer and amending this Agreement and any Co-Owner Agreement to reflect such succession as Servicer pursuant to this Section 7.1 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. Termination of the IESO as Servicer shall not terminate the IESO's rights or obligations under this Agreement (except rights thereunder deriving from its rights as the Servicer hereunder).

7.2 Appointment of Successor Servicer

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 7.1 or the Servicer's resignation or removal in accordance with the terms of this Agreement, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, until a Successor Servicer shall have assumed in writing the

obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Indenture Trustee may, and at the written direction and with the consent of the Specified Creditors as provided for under the Trust Indenture shall, but subject to the provisions of the applicable Co-Owner Agreement, appoint a Successor Servicer with the Issuer's prior written consent thereto (which consent shall not be unreasonably withheld), and the Successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuer. If, within 30 days after the delivery of the Termination Notice, a Successor Servicer shall not have been appointed, the Indenture Trustee may, at the direction of Specified Creditors as provided for under the Trust Indenture, petition a court of competent jurisdiction to appoint a Successor Servicer under this Agreement. A Person shall qualify as a Successor Servicer only if (i) such Person is permitted under the Act to perform the duties of the Servicer, (ii) the Rating Agency Condition shall have been satisfied with respect to such appointment, (iii) such Person enters into a master transfer and servicing agreement with the Issuer having substantially the same provisions as this Agreement and (iv) such Person agrees to perform the obligations of the Servicer under any Co-Owner Agreement. In no event shall the Indenture Trustee be liable for its appointment of a Successor Servicer. The Indenture Trustee's expenses incurred under this Section 7.2(a) shall be at the sole expense of the Issuer and payable from the Collection Account as provided in **[Section 8.02]** of the Indenture.

(b) Upon appointment, the Successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter placed on the predecessor Servicer and shall be entitled to all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

7.3 Waiver of Past Defaults

The Indenture Trustee, with the written consent of Specified Creditors as provided for under the Trust Indenture, may waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to the Collection Account in accordance with this Agreement. Upon any such waiver of a past default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

7.4 Notice of Servicer Default

The Servicer shall deliver to the Issuer, the Manager, the Indenture Trustee and the Rating Agencies promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice of any event that, with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 7.1.

7.5 Cooperation with Successor Servicer

The Servicer covenants and agrees with the Issuer that it will, on an ongoing basis, cooperate with the Successor Servicer and provide whatever information is, and take whatever actions are, reasonably necessary to assist the Successor Servicer in performing its obligations hereunder.

ARTICLE 8
MISCELLANEOUS

8.1 Amendment

This Agreement may be amended in writing by the IESO, the Issuer and the Indenture Trustee and with satisfaction of the Rating Agency Condition. Promptly after the execution of any such amendment, the Issuer shall furnish copies of such amendment to each of the Rating Agencies.

8.2 Withholding Rights

The parties shall be entitled to deduct and withholding from amounts payable under this Agreement such amounts as each is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

8.3 No Partnership

Each party expressly disclaims any intention to create a partnership, and none of the Issuer, the IESO or the Indenture Trustee will be deemed to be carrying on business in partnership by reason of its execution and delivery of this Agreement or the exercise or performance by it of its respective rights and obligations hereunder.

8.4 Notices

Any notice, report or other communication given hereunder shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (b) upon receipt when sent by an overnight courier, (c) on the date personally delivered to an authorized officer of the party to which sent, or (d) on the date transmitted by electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the IESO, in its capacity as Transferor or Servicer:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, Ontario M5H 1T1

Attention: Chief Financial Officer, General Counsel and Associate General Counsel
Email: ■

(b) in the case of the Issuer or the Manager (on behalf of the Issuer):

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

(c) in the case of the Indenture Trustee:

■
[Address]

Attention: ■
Email: ■

Each party hereto may, by notice given in accordance herewith to the other party or parties hereto, designate any further or different address to which subsequent notices, reports and other communications shall be sent. Any notice, report or communication required to be given by the IESO hereunder to a Rating Agency shall be given to the address provided by the Issuer from time to time.

8.5 Assignment

Notwithstanding anything to the contrary contained herein, except as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the IESO.

8.6 Limitations on Rights of Third Parties

The provisions of this Agreement are solely for the benefit of the IESO, the Issuer and, to the extent provided herein or in the other Program Agreements, the Indenture Trustee (for its own benefit and for the benefit of the Specified Creditors) and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Issuer Investment Interest or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

8.7 Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.8 Separate Counterparts; Electronic Delivery

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by a party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

8.9 Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party to this Agreement attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

8.10 Grant of Security Interest to Indenture Trustee

The IESO hereby acknowledges and consents to the grant of a Lien by the Issuer to the Indenture Trustee pursuant to the Indenture for the benefit of the Specified Creditors against all right, title and interest of the Issuer in, to and under this Agreement, the Investment Interest and the proceeds thereof and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Specified Creditors.

8.11 Limitation of Liability of Indenture Trustee

It is expressly understood and agreed by the parties hereto that this Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee on behalf of the Specified Creditors, in the exercise of the powers and authority conferred and vested in it. The Indenture Trustee in acting hereunder is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

8.12 Limitation of Liability of the Issuer Trustee

(a) It is expressly understood and agreed by the parties hereto that the Issuer Trustee is acting solely in its capacity as trustee of the Issuer, and not in any other capacity. The Issuer solely shall be responsible for the performance of the Issuer's obligations hereunder and the assets of the Issuer solely shall be subject to levy or execution in satisfaction of such obligations.

(b) The Issuer Trustee will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by the Issuer Trustee to be taken, or the Issuer Trustee's failure to compel in any way any former or acting Issuer Trustee to redress any breach of trust with respect to the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, provided that the foregoing limitation will not apply in respect of action or failure to act arising from or in connection with dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee, in doing anything or permitting anything to be done in respect of the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, is, and will be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 8.12, the Issuer Trustee will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the Issuer Trustee owned in its personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

(c) The holders of the units of the Issuer will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by it to be taken. The holders of the units of the Issuer will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the holders of the units of the Issuer owned in their personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

8.13 Waivers

Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof; provided, however, that no such waiver delivered by the Issuer shall be effective unless the Indenture Trustee has given its prior written consent thereto. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party, with prompt written notice of any such waiver to be provided to the Rating Agencies. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any

way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

[INDENTURE TRUSTEE]
as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT A

FORM OF TRANSFER NOTICE

See attached

TRANSFER NOTICE

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

This Transfer Notice is delivered to you pursuant to Section 2.1 of a master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Master Transfer and Servicing Agreement.

The Transferor hereby gives notice to the Issuer of its offer to transfer to the Issuer on the Closing Date set out below, on a fully serviced basis, the Specified Portion of the Regulatory Asset set out below, all in accordance with the terms and conditions of the Master Transfer and Servicing Agreement. In consideration for (i) the Transferor's Transfer to the Issuer of the Specified Portion of the Regulatory Asset set out below, on a fully serviced basis, the Issuer shall deliver or cause to be delivered to the Transferor on the Closing Date set out below, by wire transfer in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set out below.

Upon receipt by the Transferor of the Purchase Price on the Closing Date, (i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price, and the Regulatory Asset shall be adjusted accordingly; and (ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any adverse claim, and shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest.

Specified portion of Regulatory Asset: $■

Purchase Price: $■

Closing Date: ■

The Transferor hereby represents, warrants and confirms that:

(i) each of the representations and warranties on the part of the Transferor contained in the Master Transfer and Servicing Agreement are true and correct in all respects on the date hereof as if made on the date hereof;

(ii) the Transferor is not in breach of any of its covenants in the Master Transfer and Servicing Agreement; and

(iii) as of the date hereof, each condition precedent that must be satisfied by the Transferor under Section 2.2 of the Master Transfer and Servicing Agreement is capable of being satisfied prior to Closing Date.

The closing shall take place at ■ (Toronto time) on the Closing Date referred to above at the offices of ■, except as may be otherwise mutually agreed. The Purchase Price shall be paid on that date by bank wire transfer to [insert IESO bank account details].

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

The undersigned hereby accepts the foregoing offer.

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT B

FORM OF MONTHLY REPORT

See Attached

MONTHLY REPORT

[NTD: Subject to continuing review by the Dealers and their counsel.]

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and by **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Report have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ■ of the Master Transfer and Servicing Agreement the Servicer hereby certifies in respect of the Billing Period corresponding to the calendar month of ■, ■, as follows:

	Item	**Amount**
(A)	Servicer CEA Receipts:	$■
(B)	Balance of Collection Account:	$■

[NTD: Any additional information considered necessary for OPG/IESO to be included.]

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT C

FORM OF MONTHLY CARRYING COSTS STATEMENT

See Attached

MONTHLY CARRYING COSTS STATEMENT

TO: INDEPENDENT ELECTRICITY SYSTEM OPERATOR
[Address]

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Carrying Costs Statement have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section 3.14 of the Master Transfer and Servicing Agreement, the undersigned hereby certifies that the Monthly Carrying Costs in respect of the calendar month of ■, ■ are as follows:

		Amount
Funding costs:		$■
Derivative payments to be made:		$■
Amounts deposited into accounts other than capital accounts:		$■
Financing entity expenses:		$■
Tax liabilities:		$■
	Subtotal:	**$■**
LESS:		
Amounts withdrawn from accounts other than capital accounts:		
Derivative payments to be received:		
Tax refunds:		**$■**
	Subtotal:	**$■**
Monthly Carrying Costs		**$■**

In accordance with Section 3.14(b) of the Master Transfer and Servicing Agreement, the undersigned hereby directs you to deliver to the Issuer, by wire transfer to the account set forth below, an amount in Canadian dollars equal to the Monthly Carrying Costs set forth above on or before ■, 20■, and this shall be your good and valid authority for so doing.

[NTD: Wire transfer instructions to be provided by OPG.]

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

MASTER TRANSFER AND SERVICING AGREEMENT

between

[FINANCING ENTITY]
as Issuer

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

~~Acknowledged~~ and ~~Accepted by~~

■
as Indenture Trustee

Dated as of ■, 2017

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MASTER TRANSFER AND SERVICING AGREEMENT

THIS AGREEMENT made as of ■, 2017.

BETWEEN:

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario

(the "**Issuer**")

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital amalgamated under the laws of the Province of Ontario

(the "**Transferor**" in its capacity as transferor, the "**Servicer**", in its capacity as servicer, and the "**IESO**" in its capacity as both Transferor and Servicer)

- ~~acknowledged~~ and ~~accepted by~~ -

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee

(the "**Indenture Trustee**")

WHEREAS the Government of Ontario has enacted the *Ontario Fair Hydro Act, 2017* (the "**Act**") for the purpose of, among other things, ensuring that clean energy costs and clean energy benefits (each as defined in the Act) are fairly allocated among present and future Specified Consumers;

AND WHEREAS, under the Act, the IESO is required to establish and maintain the Fair Hydro Variance Account, and has the right under the Act and the Regulations to record certain amounts in the Fair Hydro Variance Account and recover the balance from time to time of the Fair Hydro Variance Account from Specified Consumers (such right, the "**Regulatory Asset**");

AND WHEREAS the IESO may from time to time, in accordance with the Act, Transfer a ~~specified portion~~**Specified Portion** of the Regulatory Asset to the Issuer on a fully-serviced

basis, and pursuant to Section 26(3) of the Act, such a Transfer ~~shall result~~results in (i) a reduction in the balance in the Fair Hydro Variance Account, (ii) the corresponding adjustment of the Regulatory Asset, and (iii) the acquisition by the Issuer of an Investment Interest corresponding to the ~~specified portion~~Specified Portion of the Regulatory Asset;

AND WHEREAS the Issuer may finance the acquisition from the IESO, from time to time, of an Investment Interest through the incurrence of Funding Obligations under the Indenture;

AND WHEREAS the Issuer will grant a security interest over all of the Issuer Investment Interest to and in favour of the Indenture Trustee on behalf of all Specified Creditors;

AND WHEREAS in connection with its ownership of the Issuer Investment Interest and in order to collect the associated Clean Energy Adjustments in accordance with the Act, the Issuer desires to engage the Servicer to carry out the services described herein and the Servicer desires to be so engaged;

AND WHEREAS the Indenture Trustee has been appointed pursuant to the Indenture to act on behalf of all Specified Creditors (as defined in the Indenture) and wishes to acknowledge and accept the rights and obligations granted to it thereby, including, but not limited to, its rights set forth in this Agreement.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**Act**" has the meaning ascribed thereto in the recitals;

~~"**Administrative Agent**" means OPG, in its capacity as administrative agent of the Issuer;~~

~~"**Administrative Services Agreement**" means the administrative services agreement dated ■, 2017 between the Administrative Agent and the Issuer concerning the reimbursement of certain costs incurred by the Administrative Agent in connection with the administration of the Issuer;~~

~~"**Affiliate**" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "**control**" when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the~~

~~ownership of voting securities, by contract or otherwise, and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing;~~

"**Agreement**" means this master transfer and servicing agreement, as amended, supplemented, modified, restated or replaced from time to time, and the expressions "herein", "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and not to any Article, Section, paragraph, subparagraph or clause hereof;

"**Billing Period**" means a calendar month in which the Clean Energy Adjustment is billed to Specified Consumers;

"**Board**" means the Ontario Energy Board, a statutory corporation without share capital continued under the *Ontario Energy Board Act, 1998*, S.O., 1998;

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are~~, or the office of the Indenture Trustee is,~~ authorized or obligated by law, regulation or executive order to be closed;

"Carrying Costs" has the meaning ascribed to the term "carrying costs" in the Regulations;

"**CEA Consumer Invoice Amounts**" means amounts invoiced by an Electricity Vendor to Specified Consumers in respect of the Clean Energy Adjustment based on the rates established by the Board;

"**Clean Energy Adjustment**" has the meaning ascribed to the term "clean energy adjustment" in the Act;

"**Closing Date**" means the date on which a Transfer is completed as specified in the applicable Transfer Notice;

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the ~~Issuer~~**parties hereto** and any other owner or owners of an Investment Interest as contemplated by ~~subsection~~**Section** 29(5) of the Act **in form and substance satisfactory to the parties hereto, acting reasonably**;

"**Co-Owner Implementation Date**" means the date, if any, upon which the Issuer Investment Interest ceases to be the only Investment Interest outstanding representing the full Investment Asset;

"**Collection Account**" has the meaning ascribed thereto in Section **[8.02(a)]**[1] of the Indenture;

~~"**Corporate Trust Office**" means the office of the Indenture Trustee at which, at any particular time, its corporate trust business shall be administered, which office as of the date hereof is located at ■; Telephone: ■; Email: ■, or at such other address as the Indenture Trustee may designate from time to time by notice to the Specified Creditors and the Issuer, or the principal corporate trust office of any successor trustee designated by like notice;~~

[1] All cross-references to the Indenture to be conformed to the final version of the Indenture.

"**Daily Remittance Event**" means ~~■ [NTD: Definition to be tied to the loss of investment grade ratings of the IESO]~~the occurrence of either: (i) a Servicer Default or (ii) the IESO (or any successor thereto) ceasing to have the Required Servicer Rating;

"**Declaration of Trust**" means the declaration of trust made as of ■, 2017 under which the Issuer was established, as may be supplemented, amended, replaced or amended and restated from time to time;

~~"**Electricity Act**" means the *Electricity Act, 1998*, SO, 1998;~~

"**Electricity Vendor**" has the meaning ascribed to the term "electricity vendor" in the Act;

"**Electricity Vendor CEA Collections**" means payments actually received by Electricity Vendors from Specified Consumers in respect of Clean Energy Adjustments;

"**Electricity Vendor Billing Period Report" means a report as contemplated by Section 17(s) of the Act from each Electricity Vendor in respect of each Billing Period where Clean Energy Adjustments are billed to Specified Consumers containing:**

(a) **its total CEA Consumer Invoice Amounts in such Billing Period;**

(b) **its total Electricity Vendor CEA Collections during such Billing Period; and**

(c) **such other information as may be agreed to.**

"Eligible Deposit Account" means an account in Canada with an Eligible Institution;

"**Eligible Institution**" means:

(a) at any time before the Co-Owner Implementation Date, an "Eligible Institution" as defined in the Indenture; and

(b) at any time on or after the Co-Owner Implementation Date, an "Eligible Institution" as defined in the applicable Co-Owner Agreement;

"**Fair Hydro Variance Account**" means the variance account established by the IESO pursuant to ~~subsection~~**Section** 24(1) of the Act;

~~"**Finance Reserve Deposit**" has the meaning ascribed to the term "finance reserve deposit" in the Regulations;~~

"**Financing Entity**" has the meaning ascribed to the term "financing entity" in the Act;

~~"**Financing Entity Expenses**" has the meaning ascribed to the term "financing entity expense" in the Regulations;~~

~~"**Funding Cost**" has the meaning ascribed to the term "funding cost" in the Regulations;~~

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act;

~~["**Funding Rebate**" has the meaning ascribed thereto in Section 3.4(b);]~~**[NTD: Terminology and provisions relating to IESO payment of carrying costs during the moratorium period subject to finalization of regulations creating this obligation.]**

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

"**IESO**" or "**Independent Electricity System Operator**" means the Independent Electricity System Operator, a statutory corporation without share capital established by the *Electricity Act*, *1998*, SO, 1998;

[NTD: The Issuer may at some point have to publicly file this Agreement, and a copy of it will be circulated to the rating agencies. Therefore, it seems prudent not to include IESO bank account details in the Agreement.]

"**IESO Deferral**"~~, at any time, means the amount determined by the IESO under subsection 23(1) of the Act and sections 15 and 16 of the Regulations and recorded by the IESO under subsection 24(1) of the Act in the Fair Hydro Variance Account at such time~~ **has the meaning ascribed to the term "IESO deferral" in the Act**;

"**IESO Disclosure**" has the meaning ascribed thereto in Section 5.7;

"**IESO Segregated Account**" **has the meaning ascribed thereto in Section** means the account established under Section ~~3.3~~**3.4**(a);

"**Indemnified Losses**" has the meaning ascribed thereto in Section 6.1(a);

"**Indemnified Party**" has the meaning ascribed thereto in Section 6.1(a);

"**Indenture**" means the master trust indenture dated ■, 2017 between the Indenture Trustee and the Issuer;

"**Indenture Trustee**" means ■, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee for the benefit of Specified Creditors, or any successor thereto, under the Indenture;

"**Insolvency Event**" means, with respect to a specified Person, the specified Person admits the inability of such specified Person to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of such specified Person or otherwise acknowledges the insolvency of such specified Person or any proceeding shall be instituted by or against such specified Person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization,

moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, trustee or other similar official for such specified Person or for any substantial part of its property and if such proceeding has been instituted against such specified Person either such proceeding has not been stayed or dismissed within **[45]** days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part, or if a receiver is privately appointed in respect of such specified Person or of the property of such specified Person or any substantial part thereof;

"**Investment Asset**" has the meaning ascribed to the term "investment asset" in the Act;

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act;

"**Issuer**" means ■, a trust formed under the laws of the Province of Ontario;

"**Issuer Funding Obligations**" means the Funding Obligations of the Issuer;

"**Issuer Investment Interest**" means, initially, the Investment Interest acquired by the Issuer pursuant to the first Transfer completed under this Agreement and, upon the completion of each Transfer thereafter, the cumulative Investment Interest acquired by the Issuer;

"**Issuer Share**" means:

(a) at any time before the Co-Owner Implementation Date, 100%; and

(b) at any time on or after the Co-Owner Implementation Date, the percentage determined in accordance with the applicable Co-Owner Agreement;

"**Issuer Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Issuer at such time;

"**Lien**" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind;

"**Management Agreement**" means the management agreement dated ■, 2017 between the Manager and the Issuer;

"**Manager**" means OPG, in its capacity as manager of the Issuer, and any successor appointed in accordance with the Management Agreement;

"**Minister**" means the Minister of Energy or such other member of the Executive Council as may be assigned the administration of the Act under the *Executive Council Act*;

"**Monthly ~~Funding Expenses~~Carrying Costs**" has the meaning ascribed thereto in Section ~~3.4~~3.14(~~a~~b);

"**Monthly ~~Funding Rebate~~Carrying Costs Statement**" has the meaning ascribed thereto in Section ~~3.4~~3.14(~~a~~b);

~~25847049.5~~**24817972.2**

"**Monthly Report**" has the meaning ascribed thereto in Section ~~3.3~~**3.5**(~~e~~**a**);

"**Officer's Certificate**" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section **[10.01]** of the Indenture, and delivered to the Indenture Trustee;

"**OPG**" means Ontario Power Generation Inc., a corporation established under the laws of the Province of Ontario;

"**Opinion of Counsel**" means one or more written opinions of counsel, ~~who may, except as otherwise expressly provided in the Program Agreements, be employees of or counsel to the party providing such opinion of counsel,~~ which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party;

~~"**Outstanding Amount**" means the aggregate principal amount of all Funding Obligations outstanding at the date of determination;~~

"**Permitted Successor**" means any successor to the IESO under the Act, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, conversion, acquisition, sale or transfer, by operation of law, as a result of any restructuring, or otherwise, but only to the extent such successor is approved by the Minister;

"Permitted Transfer" means (i) a Transfer to the Issuer pursuant to this Agreement; and (ii) a Transfer to a person who has entered into a Co-Owner Agreement with, inter alia, the Issuer.

"**Person**" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority;

"**Proceeding**" means any suit in equity, action at law or other judicial or administrative proceeding;

"**Program Agreements**" ~~means the Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Administrative Services Agreement, this Agreement, each Transfer Notice, any Co-Owner Agreements, the Provincial Protection and Assurances Agreement and any hedging agreements, credit enhancement agreements, loan agreements and underwriting or agency agreements in effect at such time and all other documents and certificates delivered in connection therewith;~~**has the meaning ascribed thereto in the Indenture;**

~~"**Provincial Protection and Assurances Agreement**" means the Provincial Protection and Assurances Agreement dated as of ■, 2017 between **[Her Majesty the Queen in Right of Ontario, as represented by the Minister, the Indenture Trustee and the Issuer]**[NTD: **Subject to finalization of agreement**];~~

"**Purchase Price**" has the meaning ascribed thereto in Section 2.1(a);

"**Rating Agency**" has the meaning ascribed thereto in the Indenture;

"**Rating Agency Condition**" has the meaning ascribed thereto in the Indenture;

"**Records**" has the meaning ascribed thereto in Section 7.1;

~~"**Reference Period**" has the meaning ascribed to the term "reference period" in the Act;~~

"**Regulations**" means Ontario Regulation 206/17: General, together with any other regulations promulgated under the Act;

"**Regulatory Asset**" has the meaning ascribed thereto in the recitals;

"**Released Parties**" has the meaning ascribed thereto in Section 6.1(~~e~~**f**);

"**Remittance Date**" means, in respect of each Billing Period, the **[3rd]**[2] ~~Servicer~~ Business Day following the last day of each Billing Period;

"Required Servicer Rating" means ■; [NTD: Definition to tie to loss of investment grade credit rating.]

"**Requirement of Law**" means any foreign, Canadian federal, provincial or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law;

"**Responsible Officer**" means, with respect to: (a) the Issuer, any authorized director or officer of the Manager; (b) the Servicer, any authorized director or officer of the IESO; (c) a Successor Servicer, any authorized director or officer of the Successor Servicer; and (d) the Indenture Trustee, any officer ~~within the Corporate Trust Office~~ of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject);

"**Servicer**" means the Independent Electricity System Operator, as Servicer under this Agreement, or any Successor Servicer to the extent permitted under this Agreement;

~~"**Servicer Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obligated by law, regulation or executive order to be closed, on which the Servicer maintains normal office hours and conducts business;~~

"**Servicer CEA ~~Collections~~Receipts**" has the meaning ascribed thereto in Section ~~3.2(a)(ii~~**3.4(e**);

[2] ~~Based on the monthly payment cycle charts prepared by OPG.~~

"**Servicer Default**" has the meaning ascribed thereto in Section 7.1;

"**Specified Consumer**" has the meaning ascribed to the term "specified consumer" in the Act;

"**Specified Creditors**" has the meaning ascribed thereto in the Indenture;

"**Specified Portion**" means, in respect of the Regulatory Asset and any Transfer, the portion of the Regulatory Asset subject to such Transfer, as set out in the applicable Transfer Notice.

"**Successor Servicer**" has the meaning ascribed thereto in Section **[3.07(e)]** of the Indenture;

"**Supplemental Indenture**" means an indenture supplemental to the Indenture that authorizes the incurrence of Funding Obligations;

~~"**Tax Liability**" has the meaning ascribed to the term "tax liability" in the Regulations;~~

~~"**Tax Refund**" has the meaning ascribed to the term "tax refund" in the Regulations;~~

"**Termination Event**" has the meaning ascribed thereto in Section ~~3.11~~■;

"**Termination Notice**" has the meaning ascribed thereto in Section 7.1;

"**Transfer**" has the meaning ascribed to the term "transfer" in the Act, and "**Transferred**" has a corresponding meaning;

"**Transfer Notice**" means a Transfer Notice in respect of a Transfer substantially in the form of Exhibit A to this Agreement and delivered pursuant to Section 2.1(a) of this Agreement; and

"**Transferor**" means the Independent Electricity System Operator, as transferor under this Agreement;

1.2 Sections and Headings[~~3~~2]

The table of contents does not form part of this Agreement. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

(a) Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. A reference to any agreement, instrument or declaration

[~~3~~2] Torys to conform boilerplate provisions, as applicable, across all transaction documents.

means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or replaced from time to time.

(b) The term "**including**" means "including without limitation", and other forms of the verb "**include**" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated, in the computation of a period of time from a specified date to a later specified date, the word "**from**" means "**from and including**" and each of the words "**to**" and "**until**" means "**to but excluding**".

(e) The words "**hereof**", "**herein**" and "**hereunder**" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, unless otherwise specified. References to Articles, Sections, Appendices and Exhibits in this Agreement are references to Articles, Sections, Appendices and Exhibits in or to this Agreement unless otherwise specified.

(f) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor.

(g) The word "**will**" shall be construed to have the same meaning and effect as the word "**shall**". The word "**or**" is not exclusive.

ARTICLE 2
TRANSFER OF SPECIFIED PORTIONS OF THE REGULATORY ASSET

2.1 Transfer Notices and Agreement to Transfer a Specified Portion of the Regulatory Asset

(a) The Transferor may, no more frequently than monthly and no later than the 8th Business Day of ~~each~~**any** calendar month, ~~provide~~**offer** to **Transfer to** the Issuer a **Specified Portion of the Regulatory Asset by providing to the Issuer a** Transfer Notice executed by the Transferor and setting out (i) the ~~specified~~

~~portion~~**Specified Portion** of the Regulatory Asset that the Transferor ~~desires~~**is offering** to Transfer to the Issuer, (ii) the consideration to be paid to the Transferor by the Issuer for the Transfer (the "**Purchase Price**") which shall be equal to the amount of ~~the specified portion~~**such Specified Portion** of the Regulatory Asset ~~that the Transferor proposes to Transfer to the Issuer~~, (iii) the Closing Date to effect such transfer which shall be **no earlier than** the ~~10~~**[5th]** Business Day ~~following~~**after the** delivery of the **Transfer Notice and no later than the last Business Day of the calendar month in which the** Transfer Notice **was delivered**, or such other ~~date~~**Business Day** as may be agreed ~~upon~~ by the Transferor and the Issuer, and (iv) such other information as required in the form of Transfer Notice attached as Exhibit A hereto.

~~(b)~~ ~~**[The Issuer shall use commercially reasonable efforts to provide reasonable notice to the Transferor if the Issuer has reasonable cause to believe that it will not accept a Transfer Notice sent by the Transferor or that the conditions precedent in Sections 2.2(b)(i), (v), (vi), (vii), (viii) and (vii) will not be satisfied on the relevant Closing Date.][NTD: Subject to review by OPG.]**~~

(b) ~~(c)~~ On or before the 2nd Business Day following receipt of a Transfer Notice, the Issuer shall have the right, but not the obligation, to accept the Transferor's offer to Transfer the ~~portion~~**Specified Portion** of the Regulatory Asset subject to the Transfer Notice by executing and returning such Transfer Notice to the Transferor. Upon acceptance by the Issuer of the Transfer Notice, there shall be a binding agreement for IESO to Transfer the ~~specified portion~~**Specified Portion** of the Regulatory Asset and for the Issuer to pay the Purchase Price, subject to satisfaction of all conditions precedent in Section 2.2.

~~(d) In consideration and as an inducement for the Issuer to acquire the Investment Interest at the Purchase Price, the Transferor shall, concurrently with each such Transfer and in accordance with Section 3.4, agree to pay to the Issuer all Monthly Funding Expenses that are incurred by or on behalf of the Issuer in connection with each applicable Transfer in respect of each calendar month in which there are no Clean Energy Adjustments billed to Specified Consumers.~~

(c) ~~(e)~~ Provided that all conditions precedent set out in Section 2.2 have been satisfied on or prior to the applicable Closing Date, on the applicable Closing Date, the Issuer shall deliver or cause to be delivered to the Transferor, by **bank** wire transfer **or bank electronic funds transfer,** in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set forth in the applicable Transfer Notice. **The Transferor agrees that receipt by the Transferor of the payment referred to in this Section 2.1(c) is receipt by the Transferor of a payment referred to in Section 26(3) of the Act.**

(d) ~~(f) Upon receipt by the Transferor of the payment referred to in Section 2.1(e):~~ **Upon receipt by the Transferor of the payment referred to in Section 2.1(c),** the Transferor shall reduce the balance of the Fair Hydro Variance Account by an

amount equal to the Purchase Price **received and shall retain no further right, title or interest in the corresponding Issuer Investment Interest.**

~~(i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price and, as a consequence, the Regulatory Asset shall be adjusted accordingly; and~~

~~(ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any adverse claim, and in accordance with section 27(1) of the Act, shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Issuer.~~

~~(g) Any Transfer of a specified portion of the Regulatory Asset by the Transferor pursuant to this Agreement shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Issuer, shall be treated as a true sale and not as a pledge of or secured transaction relating to the Transferor's right, title, and interest in, to, and under the specified portion of the Regulatory Asset. After giving effect to a Transfer contemplated hereby, the Transferor shall have no right, title or interest in, to or under the corresponding Investment Interest because (i) it has Transferred all of its right, title and interest in and to the corresponding specified portion of the Regulatory Asset to the Issuer, (ii) as provided in the Act, all right, title and interest to the corresponding Investment Interest shall be vested in the Issuer, (iii) as provided in the Act, such Transfer is perfected, vested, valid and binding as against the Transferor and all other Persons who may have claims of any kind against the Transferor, regardless of whether the Persons who have claims have received notice of the Transfer, and (iv) the property rights and interests acquired by the Issuer shall be free and clear of any Liens arising through the IESO.~~

(e) The parties intend that this Agreement, together with each Transfer Notice accepted by the Issuer, constitute an agreement, for purposes of Section 27(2) of the Act for the Transferor to dispose, upon receipt by the Transferor of the payment referred to in Section 2.1(d), of a Specified Portion of the Regulatory Asset and to assign, convey or sell a corresponding Investment Interest to the Issuer.

2.2 Conditions Precedent to each Transfer of a Specified Portion of the Regulatory Asset

(a) The obligation of the Issuer to pay the Purchase Price related to the initial Transfer of a ~~specified portion~~**Specified Portion** of the Regulatory Asset shall be subject to the satisfaction by the Transferor, or waiver by the Issuer and the Indenture Trustee, of the following ~~condition~~**conditions**:

(i) the Issuer and the Indenture Trustee shall have received from the Transferor the following documents, in form and substance satisfactory to each of the Issuer and the Indenture Trustee:

(A) a certificate of an officer of the IESO, dated the initial Closing Date certifying (1) that attached thereto is a true and complete copy of the by-laws of the IESO, each as in effect on the date of such certificate, (2) that attached thereto is a true and complete copy of a resolution adopted by the IESO's board of directors authorizing the execution, delivery and performance of this Agreement and the ~~Program Agreements to which~~**performance by** the IESO ~~is party~~**of its obligations hereunder**, and that such resolution has not been modified, rescinded or amended and is in full force and effect, and (3) as to the incumbency and true specimen signature of each of the IESO officers **or delegates** executing this Agreement ~~or any of the Program Agreements to which the IESO is party~~**and authorized to give notices and instructions hereunder (which can be changed by notice hereunder)**; and

(B) ~~reports showing the results of searches conducted against the IESO under applicable personal property security registers in the Province of Ontario together with executed copies of all discharges or releases of prior security interests relating to the Regulatory Asset subject to the Transfer; provided that the IESO may establish that any particular registration does not affect the Regulatory Asset by delivering a letter or acknowledgment signed by the applicable secured party.~~the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them**. [NTD: Scope of opinions required to be confirmed by the Dealers and their counsel]**

(b) The obligation of the Issuer to pay the Purchase Price related to each Transfer of a ~~specified portion~~**Specified Portion** of the Regulatory Asset (including the initial Transfer) shall be subject to the satisfaction or waiver by the Issuer and the Indenture Trustee of each of the following conditions:

(i) as of the applicable Closing Date, all Program Agreements shall have been entered into on terms and conditions satisfactory to the Issuer and the Indenture Trustee and shall be in full force and effect as of such Closing Date;

(ii) as of the applicable Closing Date, no Insolvency Event in respect of the Transferor shall have occurred and the Transferor ~~is not insolvent and will not have been made insolvent by such Transfer and the Transferor~~ is not aware of any pending ~~insolvency~~**Insolvency Event** with respect to itself;

(iii) as of the applicable Closing Date, (A) the representations and warranties of the IESO in this Agreement must be true and correct with the same force and effect as if made on that date (except to the extent they relate to an earlier date), (B) no breach of any covenant or agreement of the IESO contained in this Agreement shall have occurred ~~and not been waived~~**be continuing**, and (C) no Servicer Default shall have occurred and ~~not been waived~~**be continuing**;

(iv) on or prior to the applicable Closing Date, the Transferor shall have taken all action required to provide for the Transfer, upon payment of the Purchase Price, of the ~~specified portion~~**Specified Portion** of the Regulatory Asset as set forth in the applicable Transfer Notice on the Closing Date, free and clear of all Liens other than Liens created by the Issuer pursuant to the Program Agreements;

(v) the Transferor shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate confirming the satisfaction of each condition precedent specified in Sections 2.2(b)(i), (ii), (iii) and (iv);

~~(vi) the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them [NTD: Scope of opinions required to be confirmed by the Dealers and their counsel];~~

(vi) ~~(vii)~~ as of the applicable Closing Date, (A) the Issuer shall have sufficient funds available to pay the Purchase Price as set forth in the applicable Transfer Notice, (B) all conditions to any incurrence of Funding Obligations intended to provide such funds set forth in the Indenture (and any applicable Supplemental Indenture) or other instrument shall have been satisfied or waived, (C) the Rating Agency Condition in respect of the issuance of the Funding Obligations funding the payment of the Purchase Price shall have been satisfied, and (D) the Funding Obligation required to fund the payment of the Purchase Price shall have been issued at the same time as, or prior to, the Transfer; and

(vii) ~~(viii)~~ after giving effect to the Transfer, each of the Fair Hydro Variance Account and the Regulatory Asset will have a balance or amount, as applicable, equal to or greater than zero.

ARTICLE 3
ROLE OF THE SERVICER

3.1 Designation of Servicer

Each Transfer of a specified portion of the Regulatory Asset shall be made on the basis that the related Issuer Investment Interest shall be ~~fully~~ serviced by the Servicer **in**

accordance with this Article 3, and the IESO or any Permitted Successor of the IESO that is the Servicer shall not be entitled to receive any further compensation from the Issuer ~~or the Indenture Trustee~~ for its services in connection therewith. The Servicer ~~acknowledges the responsibility of the Servicer for servicing the related Issuer Investment Interest corresponding to the specified portion of the Regulatory Asset Transferred by the Transferor under this Agreement and hereby~~ agrees to perform the duties and obligations of the Servicer pursuant to the terms hereof at no additional cost to the Issuer.

3.2 ~~**Duties of Servicer Generally**~~**Forecast of Electricity Consumption**

~~(a)~~ ~~The Servicer shall:~~

~~(i)~~ ~~issue settlement statements to Electricity Vendors that include amounts in respect of the Clean Energy Adjustment as prescribed by the Act and the Regulations;~~

~~(ii)~~ ~~receive from Electricity Vendors amounts in respect of Electricity Vendor CEA Collections including payments made directly to the IESO as an Electricity Vendor (such amounts received being "**Servicer CEA Collections**");~~

~~(iii)~~ ~~hold and remit Servicer CEA Collections in accordance with Section 3.3;~~

~~(iv)~~ ~~receive information from Electricity Vendors in respect of CEA Consumer Invoice Amounts and Electricity Vendor CEA Collections and such other information as the IESO may reasonably request for the purposes of determining the IESO Deferral or such further information as may be required;~~

~~(v)~~ ~~determine and record the IESO Deferral for each month and make any necessary corrections thereto in accordance with the Act and the Regulations;~~

~~(vi)~~ ~~forecast electricity demand by Specified Consumers for Reference Periods;~~

The IESO shall:

(a) ~~(vii)~~ provide ~~information~~ to the Board ~~in respect of forecast electricity demand or any other information the Board may require from the Servicer to facilitate the Board's determination of the rates at which~~**and the Financial Services Manager the forecasts of electricity consumption by** Specified Consumers ~~are to be invoiced so as to enable full recovery of the Clean Energy Adjustment in respect of any Reference Period;~~ **as contemplated by Section 8(3) of the Regulations; and**

~~(viii)~~ ~~respond to inquiries by Electricity Vendors, the Board or any other Governmental Authority with respect to the Clean Energy Adjustment;~~

~~(ix) investigate and handle delinquencies by Electricity Vendors regarding Servicer CEA Collections (and furnish reports with respect to such delinquencies to the Issuer);~~

~~(x) process and deposit Servicer CEA Collections and make periodic remittances to the Issuer in accordance with Section 3.3;~~

~~(xi) furnish periodic and current reports to the Issuer, the Board, the Indenture Trustee and the Rating Agencies, as may reasonably be required by the Issuer;~~

~~(xii) take all necessary action in connection with Funding Rebates as set forth herein and in the Regulations; and~~

~~(xiii) perform such other duties as may be reasonably required from time to time to be performed by it.~~

(b) ~~Without limiting the generality of Section 3.2(a), in furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with, the duties and responsibilities relating to data acquisition, consumption and settlement statement calculation, settlement, collections, posting, payment processing and remittance with reasonable care and in material compliance with each applicable Requirement of Law, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to similar assets for its own account and, if applicable, for others.~~**provide to the Board and the Financial Services Manager such other information and reports as the Board or the Financial Services Manager may reasonably request in connection with the calculation of the Clean Energy Adjustments and which is reasonably available to the Transferor without incurring material incremental expense.**

~~(c) Notwithstanding anything to the contrary in this Agreement, the duties of the Servicer set forth in this Agreement shall be qualified and limited in their entirety by the Act, the Regulations, all applicable laws and the rules and regulations promulgated thereunder as in effect at the time such duties are to be performed.~~

3.3 ~~Remittances~~ISO Deferral

~~(a)~~ The **IESO shall:**

(a) determine the IESO Deferral as required by Section 23 of the Act and the Regulations; and

(b) maintain the Fair Hydro Variance Account as required by Section 24 of the Act and the Regulations.

~~25847649.5~~

3.4 Clean Energy Adjustments and Electricity Vendors

The Servicer shall:

(a) **prior to receiving** Servicer ~~shall~~**CEA Receipts,** establish an Eligible Deposit Account (the "**IESO Segregated Account**") bearing a designation ~~clearly~~ indicating that the funds deposited therein are held in trust for the benefit of the **Issuer and, after the Co-Owner Implementation Date, for the benefit of any other owner or** owners of **an** Investment ~~Interests~~**Interest**. If at any time the IESO Segregated Account ceases to be an Eligible Deposit Account, the Servicer shall within 30 days establish a new IESO Segregated Account as an Eligible Deposit Account and shall transfer any cash and/or any investments held in the former account to such new account and make all future deposits to such new account~~.~~**;**

(b) **prior to the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, make reasonable efforts to work with each Electricity Vendor to:**

(i) **establish a segregated account into which Electricity Vendor CEA Collections are to be deposited as required by Section 10(2) of the Regulations;**

(ii) **settle a form of Electricity Vendor Billing Period Report to be used by such Electricity Vendor; and**

(iii) **establish procedures for the invoicing by such Electricity Vendor of amounts in respect of the Clean Energy Adjustment, the identification, deposit and segregation of Electricity Vendor CEA Collections, the remittance of Electricity Vendor CEA Collections to the Servicer and reporting to the Servicer; [NTD: Generally, someone will need to take responsibility for educating the Electricity Vendors and we believe the IESO is best positioned to take on this role given its existing relationships and opportunities to interact with the EVs.]**

(c) **request certification from each Electricity Vendor that the segregated account required by Section 10(2) of the Regulations has been established by that Electricity Vendor;**

(d) **as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive Electricity Vendor CEA Collections from Electricity Vendors;**

(e) **as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive any amounts in respect of Clean Energy Adjustments payable directly by Specified Consumers to the Servicer (such amounts, together with the amounts referred to in Section 3.4(d), the "Servicer CEA Receipts");**

(f) ~~(b) The Servicer shall~~ deposit ~~all~~**the** Servicer CEA ~~Collections~~**Receipts** into the IESO Segregated Account promptly following receipt by the Servicer and, in any event, within **[**two ~~Servicer~~ Business Days**]** of receipt by the Servicer and **the Issuer Share of** such Servicer CEA ~~Collections~~**Receipts** shall remain in the IESO Segregated Account until remitted in accordance with Section ~~3.3(d)~~ **3.6;**

(g) respond to inquiries by Electricity Vendors **with respect to the Clean Energy Adjustment and amounts payable in respect thereof;**

(h) **request from each Electricity Vendor an Electricity Vendor Billing Period Report in respect of each Billing Period during which Clean Energy Adjustments are billed to Specified Consumers; such report to be requested to be delivered within ■ Business Days of the end of each Billing Period;**

(i) **review each Electricity Vendor Billing Period Report received by the Servicer for material manifest discrepancies including any discrepancy between the Electricity Vendor CEA Collections reported in respect of the Billing Period and the amount remitted pursuant to Section 3.4(d);**

(j) **make reasonable efforts to contact each Electricity Vendor that:**

(i) **does not deliver an Electricity Vendor Billing Period Report in respect of a Billing Period where Clean Energy Adjustments were payable by Specified Consumers;**

(ii) **does not remit any Electricity Vendor CEA Collections in accordance with Section 3.4(d) or remits Electricity Vendor CEA Collections that do not match the amount thereof reported in its Electricity Vendor Billing Period Report,**

(iii) **delivers an Electricity Vendor Billing Period Report that has any other material manifest discrepancy detected by the Servicer, or**

(iv) **does not certify that it has established the segregated account required by Section 10(2) of the Regulations,**

and attempt to resolve the applicable issue;

(k) **on a periodic basis as requested by the Issuer, review, pursuant to its rights under Section 10(4) of the Regulations, the records maintained by each Electricity Vendor with respect to Clean Energy Adjustments; provided that in the absence of evidence of material non-compliance by an Electricity Vendor with its duties and obligations in respect of Clean Energy Adjustments, the Servicer shall not be required to review the records of a Electricity Vendor more often than ■.**

(l) ~~(c) The IESO agrees and acknowledges that it holds all~~**hold the Issuer Share of** Servicer CEA ~~Collections~~**Receipts** and **the Issuer Share of** any other proceeds in

respect of the Clean Energy Adjustment received by it in trust for the benefit of the Issuer, any other owner of Investment Interests, the Indenture Trustee and the Specified Creditors and that all such amounts will be remitted by the Servicer and remit such amounts in accordance with this Section 3.3 3.6 without any surcharge, fee, offset, charge or other deduction.

3.5 Reporting

The IESO further agrees not to make any claim to reduce its obligation to remit all Servicer CEA Collections received by it in accordance with this Agreement. Servicer shall:

(d) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA Collections received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period. Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA Collections on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account on each Servicer Business Day.

(a) (e) On on or before the **[2nd] Servicer 8th Business Day]** following the end of each Billing Period, the Servicer shall prepare and deliver to the Issuer, the Indenture Trustee and the Rating Agencies a written report substantially in the form of Exhibit B (a "**Monthly Report**"). ;

3.4 [Funding Rebates]

[NTD: Terminology and provisions relating to IESO payment of carrying costs during the moratorium period subject to finalization of regulations creating this obligation.]

(b) report to the Issuer any delinquencies by Electricity Vendors in respect of the CEA amounts collected and the remittance of Electricity Vendor CEA Collections;

(c) (a) On or before the **[4th]** Servicer Business Day following the end of each calendar month in which no Clean Energy Adjustment is billed to Specified Consumers, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of Exhibit C (a "**Monthly Funding Rebate Statement**") setting out the aggregate amount of all (i) Funding Costs, (ii) Finance Reserve Deposits, (iii) Financing Entity Expenses, and (iv) Tax Liabilities (net of Tax Refunds), that were incurred by or on behalf of the Issuer during the previous calendar month ("**Monthly Funding Expenses**"). report to the Issuer any unresolved matters referred to in Section 3.4(j);

(b) On or before the **[10th]** Servicer Business Day following receipt by the IESO of the Monthly Funding Rebate Statement, the IESO shall, as required by the Regulations, deliver or cause to be delivered to the Issuer, by wire transfer in

~~immediately available funds, an amount in Canadian dollars equal to the Monthly Funding Expenses set forth in the applicable Monthly Funding Rebate Statement (the "**Funding Rebate**").~~

~~**3.5 Reporting Functions**~~

(d) ~~(a) Notification of Laws and Regulations. The Servicer shall~~ promptly notify the Issuer in writing of any Requirement of Law hereafter adopted or announced or the occurrence of any other event or circumstance **of which it becomes aware** that has a material adverse effect on the Servicer's ability to perform its duties and obligations under this Agreement~~.~~**; and**

(e) ~~(b) Other Information. Upon~~**upon** the reasonable request of the Issuer, the Indenture Trustee or any Rating Agency, ~~the Servicer shall~~ provide to the Issuer, the Indenture Trustee or such Rating Agency, as the case may be, any public financial information in respect of the Servicer, or any material information regarding the **Issuer** Investment Interest or the Regulatory Asset**,** to the extent it is reasonably available to the Servicer~~,~~ **and** as may be reasonably necessary and permitted by law**,** to enable the Issuer, the Indenture Trustee or the Rating Agencies to monitor the performance by the Servicer of its duties and obligations hereunder. ~~In addition, the Servicer shall provide the Issuer and the Indenture Trustee, within a reasonable time after written request therefor, any information available to the Servicer or reasonably obtainable by it that is necessary to calculate the Clean Energy Adjustment.~~

3.6 Remittances

(a) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA **Receipts** received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period.

(b) Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA **Receipts** on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account **on each Business Day.**

3.7 Limits to Obligations

Without in any way limiting the duties and obligations of the Servicer arising under the Act or the Regulations, the parties hereto agree the duties and obligations of the Servicer under this Agreement are limited as provided in this Section 3.7.

(a) **The Servicer is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from their customers or not remitted by Electricity Vendors to the Servicer.**

(b) **The Servicer is not responsible for enforcing the obligations of Specified Consumers or Electricity Vendors to invoice, collect or remit Clean Energy Adjustments or any other amounts.**

(c) **The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations including (i) the invoicing of** Specified Consumers in respect of the Clean Energy Adjustment and ancillary matters related thereto; (ii) **the collection from Specified Consumers of amounts due** in respect of such invoices and **the remittance of such payments to the Servicer; (iii) the accuracy of any information provided by the Electricity Vendors; and (iv) any reporting by the Electricity Vendors, including the reporting to the Servicer of the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and the Issuer Share of Electricity Vendor CEA Collections received by such Electricity Vendor.**

(d) **The Servicer is under no responsibility or obligation to the Issuer with respect to whether the Clean Energy Adjustments funds remitted by the Servicer to Issuer during any or all periods is sufficient to satisfy the Issuer's obligations.**

(e) **The Servicer is under no obligation to initiate or prosecute any legal action relating to the collection of the Issuer Investment Interest.**

3.8 ~~3.6~~ **Servicing and Maintenance Standards**

(a) The Servicer shall ~~monitor payments and impose collection policies on Electricity Vendors with respect to Electricity Vendor CEA Collections. On behalf of the Issuer, the Servicer shall: (a) manage, service, administer, collect and receive Servicer CEA Collections with reasonable care and in material compliance with each applicable Requirement of Law, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to the collection of other amounts from Electricity Vendors for its own account and, if applicable, for others; (b) follow standards, policies and procedures in performing its duties as Servicer that are customary for an electricity market operator and administrator that regularly performs settlement functions; (c) use all reasonable efforts, consistent with its customary servicing procedures, to receive and hold Servicer CEA Collections in trust for the benefit of the Issuer; (d) comply with each Requirement of Law, including all regulations and guidelines, applicable to and binding on it relating to its duties hereunder; and (e) provide all information to the Board as required by the Act and the Regulations. The Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of all or any portion of the Investment Asset and the Issuer Investment Interest, which may include, at the direction of the Issuer, the taking of legal action, at the Issuer's expense but subject to the priority~~

~~of payments set forth in **[Section 8.02(e)]** of the Indenture. In no event shall the Issuer Investment Interest be set off at any time by the IESO or any Permitted Successor thereof in connection with any default by such Person or otherwise.~~**discharge its duties, responsibilities and obligations hereunder with reasonable care and in material compliance the Requirements of Law, including the Act and the Regulations and shall follow standards, policies and procedures in performing its duties as Servicer hereunder that are customary for an electricity market operator and administrator that regularly performs settlement functions. In** furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with **reasonable care and in material compliance with applicable Requirement of Laws**, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to **similar settlement activities on its own account.**

~~**3.7 Binding Effect of Servicing Obligations**~~

(b) **The** Servicer may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising under this Agreement.

(c) **Neither** the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment**.**

3.9 Appointments

The Servicer may at any time appoint any Person to **act as its agent to perform all or any portion of its obligations as Servicer hereunder; provided** however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided **further that the Servicer shall remain obligated and be liable for the performance of its obligations under this Agreement** without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were **performing such obligations**. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, **and the Issuer shall not** have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section **3.11.**

3.10 Term

The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under **Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off** (in each case, a "**Termination**

~~25847049.5~~**24817972.2**

Event"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.

3.11 Resignation of Servicer

The IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and the Rating Agencies at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and the Rating Agencies concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.12 Mergers

~~The obligations to continue to provide services and to receive and account for Servicer CEA Collections and related amounts will be binding upon the Servicer and any Permitted Successor so long as the Servicer CEA Collections have not been fully received and posted.~~ Any Person (a) into which the Servicer may be merged, converted or amalgamated and that is a Permitted Successor, (b) that may result from any merger, conversion or amalgamation to which the Servicer shall be a party and that is a Permitted Successor, (c) that may succeed to the properties and assets of the Servicer substantially as a whole and that is a Permitted Successor, or (d) that otherwise is a Permitted Successor, which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Servicer hereunder, shall be the successor to the Servicer under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 4.1 shall have been breached and no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, (ii) the Servicer shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger or succession and such agreement of assumption complies with this Section ~~3.7~~**3.12** and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (iii) the Servicer shall have given to the Issuer prior written notice of such transaction. When any Person that is a Permitted Successor acquires the properties and assets of the Servicer substantially as a whole or otherwise becomes the successor, by merger, conversion, consolidation, sale, transfer, lease or otherwise, to all or substantially all the assets of the Servicer in accordance with the terms of this Section ~~3.7~~**3.12**, then, upon satisfaction of all of the other conditions of this Section ~~3.7~~**3.12**, the preceding Servicer shall automatically and without further notice be released from all of its obligations hereunder (except for responsibilities for its actions prior to such release).

~~25847049.5~~[illegible]

~~**3.8 Limitation on Liability of Servicer and Others**~~

~~(a) Except as otherwise provided under this Agreement, including Section 6.1, neither the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment; provided, however, that this provision shall not protect the Servicer or any such Person against any liability that would otherwise be imposed by reason of negligence, recklessness or willful misconduct in the performance of duties or by reason of reckless disregard of obligations and duties under this Agreement. The Servicer and any director, officer, employee or agent of the Servicer may rely in good faith on the advice of counsel or on any document of any kind, *prima facie* properly executed and submitted by any Person, respecting any matters arising under this Agreement.~~

~~(b) Except as provided in this Agreement, the Servicer shall not be under any obligation to appear in, prosecute or defend any legal action relating to the Issuer Investment Interest that is not directly related to one of the Servicer's enumerated duties in this Agreement or related to its obligation to pay indemnification, and that in its reasonable opinion may cause it to incur any expense or liability; provided, however, that the Servicer will, at the direction of the Issuer, in respect of any Proceeding, undertake any action that is not specifically identified in this Agreement as a duty of the Servicer but that the Issuer reasonably determines is necessary or desirable in order to protect the rights and duties of the Issuer or the Indenture Trustee under this Agreement and the interests of Specified Creditors under the Indenture.~~

3.13 ~~3.9~~ The IESO Not to Resign as Servicer

Subject to the provisions of Section ~~3.7~~**3.12**, the IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and each Rating Agency at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and each Rating Agency concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

~~**3.10 Appointments**~~

3.14 IESO Regulatory Obligation to Pay Carrying Costs

(a) ~~Subject to Section 3.10(b), the~~ Servicer ~~may at any time appoint any Person to perform all or any portion of its obligations as Servicer hereunder; provided, however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided, further, that the Servicer shall remain obligated and be liable under this Agreement for the servicing and administering of the Issuer Investment Interest in accordance with the provisions hereof without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Investment Interest. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, and none of the Issuer, the Indenture Trustee, Specified Creditors or any other Person shall have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section 3.9.~~ **During the period beginning on December 1, 2017 and ending on July 31, 2021, the IESO shall, as required under the Regulations, pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs during the period beginning on June 1, 2017 and ending on July 31, 2021.**

(b) ~~The following matters shall be performed by the Electricity Vendors in accordance with the Act and shall not be considered an "appointment" for purposes of Section 3.10(a): (i) invoicing~~ Specified Consumers ~~in respect of the~~ Clean Energy Adjustment and ancillary matters related thereto; ~~(ii) collection from Specified Consumers of payments in respect of such invoices and remittance of such payments to the Servicer; and (iii) reporting to the Servicer the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and such other information the IESO may reasonably request for the purposes of determining the IESO Deferral or such further information as may be required. The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations or in respect of the matters set out in this Section 3.10(b).~~ **On or before the 4th Business Day of each calendar month**, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of **Exhibit C (a "Monthly Carrying Costs Statement") setting out the amount of Carrying Costs in respect of the preceding calendar month ("Monthly Carrying Costs").**

~~**3.11 Effective Period and Termination**~~

(c) **On or before the 8th Business Day following receipt by the IESO of the Monthly Carrying Costs Statement, the IESO shall, as required under** the Regulations, deliver or cause to be delivered to the Issuer, by wire **transfer or electronic funds** transfer in immediately available funds, an amount in Canadian dollars equal to the Monthly **Carrying Costs set forth in the applicable Monthly Carrying Costs Statement.**

3.15 IESO Security for CEA Remittances

~~The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off (in each case, a "**Termination Event**"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.~~**If required by the Issuer, the IESO shall provide to the Issuer, on or prior to the first day of the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, a letter of credit in an amount equal to $■, or such other form of security as may be acceptable to the Issuer and the Indenture Trustee, as security for any failure of Electricity Vendors, following [July 31, 2021], to remit the Electricity Vendor CEA Collections.**

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE IESO

4.1 Representations and Warranties

Subject to Section 4.3, the IESO makes the following representations and warranties as of the date hereof and as of each applicable Closing Date, and the IESO acknowledges that the Issuer and the Indenture Trustee will rely thereon in paying the Purchase Price related to Transfers of ~~specified portions~~**Specified Portions** of the Regulatory Asset, and the Issuer has relied thereon in entering into this Agreement relating to the servicing of the corresponding Investment Interests.

(a) Organization and Good Standing. The IESO is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite **corporate** power and authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it~~, and to execute, deliver and carry out the terms of this Agreement, including, for greater certainty, acting as Servicer in accordance with this Agreement~~.

(b) Due Qualification. The IESO has obtained all necessary licences and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including acting as Servicer under this Agreement) shall require such licences or approvals, except where the failure to so qualify or obtain such licences and approvals would not be reasonably likely to have a material adverse effect on the IESO's business, operations, assets, revenues or properties, the Regulatory Asset~~,~~ **or** the servicing of related Investment Interests~~, the Issuer or the repayment when due of the Funding Obligations~~.

(c) Power and Authority. The IESO has the requisite **corporate** power and authority to execute and deliver this Agreement and to carry out its terms. The IESO has full corporate power and authority to hold the Regulatory Asset and to Transfer ~~specified portions~~**Specified Portions** of the Regulatory Asset to the Issuer and the IESO has duly authorized such Transfer to the Issuer by all necessary **corporate** action. The execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary **corporate** action on the part of the IESO under all applicable laws.

(d) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the IESO, enforceable against the IESO in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof by the IESO do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time, or both) a default under, the IESO's by-laws, or any indenture, or other material agreement or instrument to which the IESO is a party or by which it is bound, result in the creation or imposition of any Lien upon any of the IESO's properties pursuant to the terms of any such indenture, agreement or other instrument or violate any existing law or any order, rule or regulation applicable to the IESO issued by any Governmental Authority having jurisdiction over the IESO or its properties.

(f) No Proceedings. ~~There are no Proceedings or, to~~**To** the IESO's knowledge, ~~investigations~~**there are no Proceedings** pending or ~~Proceedings~~ threatened~~, before any Governmental Authority having jurisdiction over~~ **against** the IESO or its properties: (a) asserting the invalidity of this Agreement or the Act, (b) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Act, or (c) seeking a determination or ruling that could reasonably be expected to materially and adversely affect the performance by the IESO of its obligations under, or the validity or enforceability of, this Agreement or the Act.

(g) Approvals. No approvals, authorizations, consents, orders or other actions or filings with any Governmental Authority are required for the IESO to execute, deliver and perform its obligations under this Agreement except those which have previously been obtained or made.

(h) Information.~~(i)~~ At the date hereof and as of each applicable Closing Date, **except in respect of information provided by a third party,** all written information, as amended or supplemented from time to time, provided by the Transferor to the Issuer with respect to the Regulatory Asset is true and correct in all material respects and does not omit any material facts.

~~(ii) Each report and certificate delivered in connection with any filing made or information provided to the Board by the IESO in connection with the Act, including on behalf of the Issuer with respect to Clean Energy Adjustments, will constitute a representation and warranty by the IESO that each such report or certificate, as the case may be, is true and correct in all material respects; provided, however, that, to the extent any such report or certificate is based in part upon or contains assumptions, forecasts or other predictions of future events, the representation and warranty of the IESO with respect thereto will be limited to the representation and warranty that such assumptions, forecasts or other predictions of future events are reasonable based upon historical performance (and facts known to the IESO on the date such report or certificate is delivered).~~

(i) The Transfer. ~~On~~**After the completion of the Transfer on** the applicable Closing Date, the ~~specified portion of the Regulatory Asset as set forth in the applicable Transfer Notice shall be validly Transferred to the Issuer and the~~ IESO will have no right, title or interest in the ~~related~~ Investment Interest **related to the Specified Portion of the Regulatory Assets** as set forth in the applicable Transfer Notice and the related Investment Interest shall not form part of the estate of the IESO in the event of an Insolvency Event in respect of the IESO.

(j) No Transfer. Except ~~pursuant to any Co-Owner Agreement, no portion of~~**for Permitted Transfers,** the ~~Regulatory Asset~~**IESO** has ~~been~~**not** sold, transferred, assigned~~,~~ **or otherwise conveyed any interest in the Regulatory Asset to any Person.**

(k) Liens. IESO has not pledged or otherwise ~~conveyed by the IESO~~**granted a Lien** to any Person ~~other than the Issuer or the Indenture Trustee, and,~~**in the Regulatory Asset and** to the IESO's knowledge (after due inquiry), ~~no security agreement,~~**there is no registered** financing statement ~~or equivalent security or lien instrument~~ listing the IESO as debtor covering ~~all or a portion of the Regulatory Asset (or the corresponding Investment Interest upon the Transfer thereof) is on file or of record in any jurisdiction, except such as may have been filed or recorded in favour of the Issuer or the Indenture Trustee in connection with the Program Agreements.~~(k) ~~Title. The IESO is the sole owner of the specified portion of the Regulatory Asset that is to be Transferred to the Issuer on~~

~~the applicable Closing Date, free and clear of all Liens~~**or extending to the Regulatory Asset**.

(l) Tax Liens. ~~After due inquiry, the~~**The** IESO **(i)** is not aware**, after due inquiry,** of any judgment or tax lien filing against the IESO**, and (ii) is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada)**.

(m) Solvency. On the date hereof and after giving effect to each Transfer, the IESO:

~~(i) is solvent and expects to remain solvent;~~

(i) ~~(ii)~~ reasonably believes that it will be able to pay its debts as they come due; and

(ii) ~~(iii)~~ is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

(n) No Court Order. There is no order by any court that seeks to enjoin the performance of any obligations of the IESO under the Act or this Agreement.

4.2 Survival

The representations and warranties set forth in Section 4.1 shall survive the execution and delivery of this Agreement, each Transfer of an Investment Interest to the Issuer and the pledge thereof to the Indenture Trustee pursuant to the Indenture and may not be waived by any party hereto except pursuant to a written agreement executed in accordance with Section 8.1 and as to which the Rating Agency Condition has been satisfied.

4.3 Limitations on Representations and Warranties

Notwithstanding anything in this Agreement to the contrary, the IESO makes no representation or warranty **with respect to the collectability of the Issuer Share of Servicer CEA Receipts or** that the Issuer~~'s~~ Share of Servicer CEA ~~Collections will~~**Receipts** be sufficient to satisfy ~~in full~~ the Issuer's Funding Obligations.

ARTICLE 5
COVENANTS OF THE IESO

5.1 Existence

~~Subject to Section 3.9, so~~**So** long as any **Issuer** Funding Obligations are outstanding, the IESO (a) will keep in full force and effect its existence and remain validly

existing under the laws of the Province of Ontario, and (b) will obtain and preserve its qualifications to do business in each jurisdiction in which such qualification is or will be necessary to protect the validity and enforceability of this Agreement and each other instrument or agreement to which the IESO is a party necessary for the proper administration of this Agreement and the transactions contemplated hereby.

5.2 No Transfer or Liens

Except for ~~(a) the~~ Transfers under this Agreement to the Issuer or ~~any Lien for the benefit of the Specified Creditors or the Indenture Trustee, and (b) following the Co-Owner Implementation Date, Transfers to other Financing Entities who enter into a Co-Owner Agreement with the Issuer and Liens granted in connection therewith to Persons advancing Funding Obligations to such other Financing Entities, the IESO will not sell, pledge, assign or transfer to any other Person, or~~ **Permitted Transfers, the IESO will not Transfer the Regulatory Asset or any portion thereof to any person. The IESO will not** grant, create, incur, assume or suffer to exist any Lien on~~, any portion of~~ the Regulatory Asset~~, whether existing as of the applicable Closing Date or thereafter created, or any interest therein~~ **or any portion thereof**. The IESO will not at any time assert any Lien against or with respect to the Issuer Investment Interest, and will defend the right, title and interest of the Issuer and of the Indenture Trustee, on behalf of the Specified Creditors, in, to and under the Issuer Investment Interest against all claims of third parties claiming through or under the Transferor.

5.3 Notice of Liens

The IESO shall notify the Issuer and the Indenture Trustee promptly after becoming aware of any Lien on any portion of the Regulatory Asset~~, other than the Transfers hereunder and any Lien pursuant to the Program Agreements~~.

5.4 Compliance with Law

The IESO will comply with all Requirements of Law applicable to, and binding upon, the IESO or relating to the Regulatory Asset~~,~~ the Investment Asset or Investment Interests, except to the extent that failure to so comply would not materially adversely affect the Issuer's~~,~~ **or** the Indenture Trustee's ~~or the Specified Creditors'~~ interests in the Issuer Investment Interest~~ under any of the Program Agreements~~, the value of the Issuer Investment Interest, the timing or amount of Clean Energy Adjustments payable by Specified Consumers or the IESO's performance of its obligations under this Agreement; provided, however, that the foregoing is not intended to, and shall not, impose any liability on the IESO for non-compliance with any Requirement of Law that the IESO is contesting in good faith in accordance with its customary standards and procedures.

5.5 Covenants Related to the Investment Interest

(a) So long as any Issuer Funding Obligations are outstanding, the IESO shall treat the Issuer Investment Interest as the Issuer's property for all purposes.

(b) Except for passive investments held for employee benefit purposes, the IESO shall not at any time become a holder of Issuer Funding Obligations ~~other than Funding Rebates~~.

(c) The IESO shall disclose the effects of all transactions between the IESO and the Issuer in accordance with generally accepted accounting principles (for government entities).

~~(d) The IESO agrees that upon completion of a Transfer, the IESO shall reduce the balance in the Fair Hydro Variance Account by the Purchase Price and will adjust the Regulatory Asset accordingly.~~

(d) ~~(e)~~ (i) ~~in~~**In** all Proceedings relating directly or indirectly to the Issuer Investment Interest, the IESO shall affirmatively certify and confirm that it has Transferred all of its rights and interests in and to the ~~specified portion~~**Specified Portion** of the Regulatory Asset giving rise to the Issuer Investment Interest, (ii) the IESO shall not make any statement or reference in respect of the Issuer Investment Interest that is inconsistent with the ownership interest of the Issuer, **and** (iii) the IESO shall not take any action in respect of the Issuer Investment Interest except solely in its capacity as the Servicer thereof pursuant to this Agreement~~, and (iv) the IESO shall not sell any portion of the Regulatory Asset pursuant to the Act to any other Person unless a Co-Owner Agreement has been entered into and the Rating Agency Condition has been satisfied with respect thereto~~.

5.6 Non-petition Covenants

Notwithstanding any prior termination of this Agreement or the Indenture, the IESO shall not, prior to the date that is one year plus one day after termination of the Indenture and the payment in full of all Issuer Funding Obligations and any other amounts owed under the Indenture, petition or otherwise invoke the process of any Governmental Authority for the purpose of commencing or sustaining a Proceeding against the Issuer under any Canadian bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official or any substantial part of the property of the Issuer.

5.7 Disclosure

The IESO shall provide ~~all~~**such non-confidential** information regarding ~~the~~ IESO, the ~~IESO Deferral, the~~ Regulatory Asset ~~or~~**and** the services provided by the Servicer hereunder (collectively, the "**IESO Disclosure**") as may be reasonably requested by the Issuer for

inclusion in any offering document of the Issuer from time to time, including but not limited to offering memoranda, prospectuses, registration statements and continuous disclosure documents and represents that**, except in respect information provided by a third party,** all such information is, **as** at the respective dates of delivery to the Issuer, true and correct in all material respects, contains no misrepresentation and constitutes full, true and plain disclosure of all material facts relating to the IESO Disclosure.

5.8 Further Assurances

Upon the request of the Issuer, the IESO shall execute and deliver such further instruments and do such further acts as may reasonably be necessary to carry out the provisions and purposes of this Agreement.

~~5.9 Co-Owner Agreements~~

~~The IESO shall not continue as or become a party to any purchase and sale agreement or similar arrangement (other than this Agreement) under which it sells all or any portion of the Regulatory Asset unless (i) the Rating Agency Condition shall have been satisfied, (ii) the Indenture Trustee, the Transferor and the other parties to such additional arrangement shall have entered into a Co-Owner Agreement in connection therewith, and (iii) the terms of the documentation evidencing such purchase and sale arrangement or similar arrangement shall expressly exclude the Issuer Investment Interest (including the Issuer Share of any Servicer CEA Collections) from any receivables, rights or other assets pledged or sold under such arrangement and unless the purchaser under such arrangement is a Financing Entity.~~

5.9 ~~5.10~~ Access to Certain Records and Information Regarding Investment Interest

The IESO shall provide to the Issuer and the Indenture Trustee access to all records relating to the IESO Deferral, the Fair Hydro Variance Account, the IESO Segregated Account and Servicer CEA ~~Collections~~**Receipts**, as is reasonably required for the Issuer and the Indenture Trustee to confirm compliance by the IESO with its obligations under this Agreement~~ and any other Program Agreements to which the IESO is a party~~. Access shall be afforded without charge, but only upon reasonable request and during normal business hours at the offices of the IESO. Nothing in this Section ~~5.10~~**5.9** shall affect the obligation of the IESO to comply with any Requirement of Law prohibiting disclosure of information, and the failure of the IESO to provide access to such information as a result of such obligation shall not constitute a breach of this Section ~~5.10~~**5.9**.

5.10 ~~5.11~~ Maintenance of Operations

Subject to Section ~~3.7~~**3.12**, the IESO agrees to continue, unless prevented by circumstances beyond its control, to operate as the electricity system operator in the Province of Ontario ~~in order to provide service~~ so long as it is acting as the Servicer under this Agreement.

ARTICLE 6
IESO INDEMNITIES

6.1 Liability of the IESO; Indemnities

(a) The IESO shall indemnify the Issuer, the Indenture Trustee (for itself and for the benefit of the Specified Creditors), the Manager~~, the Administrative Agent~~ and each of their respective trustees, officers, directors, employees and agents (each, an "**Indemnified Party**"), for, and defend and hold harmless each such Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "**Indemnified Losses**") imposed on, incurred by or asserted against any such Person as a result of (i) the failure of the IESO to perform its covenants and other obligations under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; **and** (ii) the IESO's breach of any of its representations or warranties under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and ~~(iii) any litigation and related expenses relating to the IESO's status and obligations as Servicer (other than any Proceeding the IESO is required to institute under this Agreement)~~, except to the extent of Indemnified Losses resulting from the willful misconduct, bad faith or gross negligence of such Person seeking indemnification hereunder; provided that, in each case, the IESO shall not be required to indemnify an Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any Proceeding or investigation without the written consent of the IESO, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Party of notice ~~(or, in the case of the Indenture Trustee, receipt of notice by a Responsible Officer only)~~ of the commencement of any Proceeding or investigation, such Indemnified Party shall, if a claim in respect thereof is to be made against the IESO under this Section 6.1(a), notify the IESO in writing of the commencement thereof. Failure by an Indemnified Party to so notify the IESO shall relieve the IESO from the obligation to indemnify and hold harmless such Indemnified Party under this Section 6.1(a) only to the extent that the IESO suffers actual prejudice as a result of such failure. With respect to any Proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.1(a), the IESO shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Party, the defence of any such Proceeding or investigation (in which case the IESO shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Party except as set forth below); provided, that the Indemnified Party shall have the right to participate in such Proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the IESO's election to assume the defence of any Proceeding or investigation, the Indemnified Party

shall have the right to employ separate counsel, and the IESO shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the defendants in any such action include both the Indemnified Party and the IESO and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it that are different from or additional to those available to the IESO, (ii) the IESO shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, (iii) the IESO ~~shall authorize~~**authorizes** the Indemnified Party to employ separate counsel at the expense of the IESO, or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the IESO shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Parties other than one local counsel, if appropriate. The IESO will not, without the prior written consent of the Indemnified Party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or Proceeding in respect of which indemnification may be sought under this Section 6.1(a) (whether or not the Indemnified Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising out of such claim or Proceeding.

(b) For purposes of Section 6.1(a), in the event of the termination of the rights and obligations of the IESO (or any successor thereto pursuant to Section ~~3.7~~**3.12**) as Servicer pursuant to Section 7.1, or a resignation by such Servicer pursuant to **Section 3.11 of** this Agreement, the IESO shall be deemed to be the Servicer pending appointment of a Successor Servicer pursuant to Section 7.2.

(c) Indemnification under Section 6.1(a) shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable legal fees and expenses), except as otherwise expressly provided in this Agreement.

(d) Indemnification under this Section 6.1 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Act and shall survive the resignation or removal of the Indenture Trustee or the termination of this Agreement and will rank *pari passu* with other general, unsecured obligations of the IESO. ~~Other than provided in the preceding sentence, the~~

(e) **The** IESO shall not **be required to** indemnify any party under this Section 6.1 for any **losses resulting from** changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision.

~~25847049.5~~

(f) ~~(e)~~ Except to the extent expressly provided in this Agreement (including the payment of the Purchase Price), the IESO hereby releases and discharges the Issuer ~~and the Indenture Trustee,~~ and each of ~~their respective~~**its** trustees, officers, directors and agents (collectively, the "**Released Parties**"), from any and all actions, claims and demands whatsoever, whenever arising, which the IESO, in its capacity as Servicer or otherwise, shall or may have against any such Person relating to the Investment Interest or the IESO's activities with respect thereto, other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

ARTICLE 7
SERVICER DEFAULT

7.1 Servicer Default

If any one or more of the following events (each, a "**Servicer Default**") shall occur and be continuing:

(a) any failure by the Servicer to remit to the Collection Account ~~on behalf of the Issuer~~ any required remittance that shall continue unremedied for a period of **[two/three] [NTD: Rating Agencies will expect 2-3 days]** Business Days after written notice of such failure is received by the Servicer from the Issuer ~~(with a copy to the Indenture Trustee)~~ or the Indenture Trustee or after discovery of such failure by a Responsible Officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, duly to observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in this Agreement (other than as provided in Section 7.1(a)) or any other Program Agreement to which it is a party, which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer ~~(with a copy to the Indenture Trustee)~~ or to the Servicer or the IESO, as the case may be, by the Indenture Trustee or (B) such failure is discovered by a Responsible Officer of the Servicer;

(c) any representation or warranty made by the Servicer in this Agreement, any other Program Agreement or in any Monthly Report, shall prove to have been incorrect when made, which has a material adverse effect on the Issuer, the Indenture Trustee or any other Specified Creditor and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the

same to be remedied, shall have been delivered to the Servicer (with a copy to the Indenture Trustee) by the Issuer or the Indenture Trustee or (ii) such failure is discovered by a Responsible Officer of the Servicer;

(d) an Insolvency Event occurs with respect to the Servicer or the IESO; **or**

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs; ~~or~~

~~(f) the termination or withdrawal of the "Servicing Guarantee" under the Provincial Protection and Assurances Agreement. **[NTD: Subject to finalization of the Provincial Protection and Assurances Agreement.]**~~

then, and in each and every case, the Indenture Trustee shall, upon the instruction of the Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, subject to the terms of any Co-Owner Agreement, by notice then given in writing to the Servicer (and to the Indenture Trustee if given by the Specified Creditors) (a "**Termination Notice**"), terminate all the rights and obligations (other than the obligations set forth in Section 6.1 and the obligation under Section 7.2 to continue performing its functions as Servicer until a Successor Servicer is appointed) of the Servicer under this Agreement and under the Co-Owner Agreement. In addition, upon a Servicer Default described in Section 7.1(a), the Specified Creditors and the Indenture Trustee (or any of their representatives) shall be entitled to apply to a court of appropriate jurisdiction for an order for sequestration and payment of revenues arising with respect to the ~~Investment Interest.~~**Issuer.** On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Agreement, whether with respect to the Investment Interest, the Clean Energy Adjustments or otherwise, shall, without further action, pass to and be vested in such Successor Servicer as may be appointed under Section 7.2; and, without limitation, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of all documents and records related to the Regulatory Asset, ~~the IESO Deferral,~~ the Fair Hydro Variance Account and related documents or records, or otherwise (the "**Records**"). The predecessor Servicer shall cooperate with the Successor Servicer, the Issuer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the Successor Servicer for administration by it of all Records and all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Investment Interest or the Clean Energy Adjustment. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Records to the Successor Servicer. If a Successor Servicer has been appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable legal fees and expenses) incurred in connection with transferring the Records to the Successor Servicer and amending this Agreement and any Co-Owner Agreement to reflect such succession as Servicer pursuant to this Section 7.1 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. Termination of the IESO as Servicer shall

not terminate the IESO's rights or obligations under this Agreement (except rights thereunder deriving from its rights as the Servicer hereunder).

7.2 Appointment of Successor Servicer

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 7.1 or the Servicer's resignation or removal in accordance with the terms of this Agreement, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, until a Successor Servicer shall have assumed in writing the obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Indenture Trustee may, and at the written direction and with the consent of the Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture** shall, but subject to the provisions of the applicable Co-Owner Agreement, appoint a Successor Servicer with the Issuer's prior written consent thereto (which consent shall not be unreasonably withheld), and the Successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuer. If, within 30 days after the delivery of the Termination Notice, a Successor Servicer shall not have been appointed, the Indenture Trustee may, at the direction of Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, petition a court of competent jurisdiction to appoint a Successor Servicer under this Agreement. A Person shall qualify as a Successor Servicer only if (i) such Person is permitted under the Act to perform the duties of the Servicer, (ii) the Rating Agency Condition shall have been satisfied with respect to such appointment, (iii) such Person enters into a master transfer and servicing agreement with the Issuer having substantially the same provisions as this Agreement and (iv) such Person agrees to perform the obligations of the Servicer under any Co-Owner Agreement. In no event shall the Indenture Trustee be liable for its appointment of a Successor Servicer. The Indenture Trustee's expenses incurred under this Section 7.2(a) shall be at the sole expense of the Issuer and payable from the Collection Account as provided in **[Section 8.02]** of the Indenture.

(b) Upon appointment, the Successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter placed on the predecessor Servicer and shall be entitled to all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

7.3 Waiver of Past Defaults

The Indenture Trustee, with the written consent of Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, may waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to the Collection Account in accordance with this Agreement. Upon any such waiver of a past

default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

7.4 Notice of Servicer Default

The Servicer shall deliver to the Issuer, the Manager, the Indenture Trustee and the Rating Agencies promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice of any event that, with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 7.1.

7.5 Cooperation with Successor Servicer

The Servicer covenants and agrees with the Issuer that it will, on an ongoing basis, cooperate with the Successor Servicer and provide whatever information is, and take whatever actions are, reasonably necessary to assist the Successor Servicer in performing its obligations hereunder.

ARTICLE 8
MISCELLANEOUS

8.1 Amendment

~~(a)~~ This Agreement may be amended in writing by the IESO ~~and~~, the Issuer ~~with (i) the prior written consent of~~ **and** the Indenture Trustee~~, and (ii) the~~ **and with** satisfaction of the Rating Agency Condition. Promptly after the execution of any such amendment ~~or consent~~, the Issuer shall furnish copies of such amendment ~~or consent~~ to each of the Rating Agencies.

8.2 Withholding Rights

The parties shall be entitled to deduct and withholding from amounts payable under this Agreement such amounts as each is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

8.3 No Partnership

Each party expressly disclaims any intention to create a partnership, and none of the Issuer, the **IESO or the Indenture Trustee will be deemed to be carrying on business in partnership by reason of its execution and delivery of this Agreement or the exercise or performance by it of its respective rights and obligations hereunder.**

~~(b) Prior to the execution of any amendment to this Agreement, the Issuer and the Indenture Trustee shall be entitled to receive and rely upon an Opinion of Counsel, which counsel may be an employee of or counsel to the Issuer or the IESO and which shall be reasonably satisfactory to the Indenture Trustee, or, in the Indenture Trustee's sole judgment, external counsel of the IESO stating that the execution of such amendment is authorized and permitted by this Agreement and that all conditions precedent provided for in this Agreement relating to such amendment have been complied with. The Issuer and the Indenture Trustee may, but shall not be obligated to, enter into any such amendment that affects their own rights, duties, indemnities or immunities under this Agreement or otherwise.~~

8.4 ~~8.2~~ Notices

Any notice, report or other communication given hereunder shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (b) upon receipt when sent by an overnight courier, (c) on the date personally delivered to an authorized officer of the party to which sent, or (d) on the date transmitted by electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the IESO, in its capacity as Transferor or Servicer:

Independent Electricity System Operator
~~[Address]~~**120 Adelaide Street West, Suite 1600**
Toronto, Ontario M5H 1T1

Attention: ~~■~~
Chief Financial Officer, General Counsel and Associate General Counsel
Email: ■

(b) in the case of the Issuer or the Manager (on behalf of the Issuer):

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

(c) in the case of the Indenture Trustee:

■
[Address]

Attention: ■
Email: ■

Each party hereto may, by notice given in accordance herewith to the other party or parties hereto, designate any further or different address to which subsequent notices, reports and other communications shall be sent. Any notice, report or communication required to be given by the IESO hereunder to a Rating Agency shall be given to the address provided by the Issuer from time to time.

8.5 ~~8.3~~ Assignment

Notwithstanding anything to the contrary contained herein, except as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the IESO.

8.6 ~~8.4~~ Limitations on Rights of Third Parties

The provisions of this Agreement are solely for the benefit of the IESO, the Issuer and, to the extent provided herein or in the other Program Agreements, the Indenture Trustee (for its own benefit and for the benefit of the Specified Creditors) and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Issuer Investment Interest or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

8.7 ~~8.5~~ Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.8 ~~8.6~~ Separate Counterparts; Electronic Delivery

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by a party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

8.9 ~~8.7~~ Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party to this Agreement attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

8.10 ~~8.8 Assignment~~Grant of Security Interest to Indenture Trustee

The IESO hereby acknowledges and consents to ~~any mortgage, pledge, assignment and~~the grant of a ~~security interest~~Lien by the Issuer to the Indenture Trustee pursuant to the Indenture for the benefit of the Specified Creditors ~~of~~against all right, title and interest of the Issuer in, to and under this Agreement, the Investment Interest and the proceeds thereof and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Specified Creditors. ~~In no event shall the Indenture Trustee have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder or in any of the certificates delivered pursuant hereto, as to all of which any recourse shall be had solely to the assets of the Issuer subject to the availability of funds therefor under Section [8.02] of the Indenture.~~

8.11 ~~8.9~~ Limitation of Liability of Indenture Trustee

It is expressly understood and agreed by the parties hereto that this Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee on behalf of the Specified Creditors, in the exercise of the powers and authority conferred and vested in it. The Indenture Trustee in acting hereunder is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

8.12 ~~8.10~~ Limitation of Liability of the Issuer Trustee

(a) It is expressly understood and agreed by the parties hereto that the Issuer Trustee is acting solely in its capacity as trustee of the Issuer, and not in any other capacity. The Issuer solely shall be responsible for the performance of the Issuer's obligations hereunder and the assets of the Issuer solely shall be subject to levy or execution in satisfaction of such obligations.

(b) The Issuer Trustee will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's

activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by the Issuer Trustee to be taken, or the Issuer Trustee's failure to compel in any way any former or acting Issuer Trustee to redress any breach of trust with respect to the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, provided that the foregoing limitation will not apply in respect of action or failure to act arising from or in connection with dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee, in doing anything or permitting anything to be done in respect of the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, is, and will be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section ~~8.10~~**8.12**, the Issuer Trustee will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the Issuer Trustee owned in its personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

(c) The holders of the units of the Issuer will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by it to be taken. The holders of the units of the Issuer will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the holders of the units of the Issuer owned in their personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

8.13 ~~**8.11**~~ **Waivers**

Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof; provided, however, that no such waiver delivered by the Issuer shall be effective unless the Indenture Trustee has given its prior written consent thereto. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party, with prompt written notice of any such waiver to be provided to the Rating Agencies. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor

in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

~~**8.12 Indenture Trustee Actions**~~

~~In acting hereunder, the Indenture Trustee shall have the rights, protections and immunities granted to it under the Indenture.~~

~~**8.13 Issuer Trustee**~~

~~In acting hereunder, the Issuer Trustee shall have the rights, protections and immunities granted to it under the Declaration of Trust.~~

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By:
Name:
Title:

By:
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

By:
Name:
Title:

By:
Name:
Title:

~~**ACKNOWLEDGED AND ACCEPTED:**~~

[INDENTURE TRUSTEE]
as Indenture Trustee

By:
Name:
Title:

By:
Name:
Title:

EXHIBIT A

FORM OF TRANSFER NOTICE

See attached

TRANSFER NOTICE

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

This Transfer Notice is delivered to you pursuant to Section 2.1 of a master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted by~~ **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Master Transfer and Servicing Agreement.

The Transferor hereby gives notice to the Issuer of its ~~desire~~**offer** to transfer to the Issuer on the Closing Date set out below, on a fully serviced basis, the ~~specified portion~~**Specified Portion** of the Regulatory Asset set out below, all in accordance with the terms and conditions of the Master Transfer and Servicing Agreement. In consideration for (i) the Transferor's Transfer to the Issuer of the ~~specified portion~~**Specified Portion** of the Regulatory Asset set out below, on a fully serviced basis, ~~**[and (ii) the Transferor's agreement to pay to the Issuer all (a) Funding Costs, (b) Finance Reserve Deposits, (c) Financing Entity Expenses, and (d) Tax Liabilities (net of Tax Refunds) that are incurred by the Issuer in connection with such Transfer,]**~~[4] the Issuer shall deliver or cause to be delivered to the Transferor on the Closing Date set out below, by wire transfer in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set out below.

Upon receipt by the Transferor of the Purchase Price on the Closing Date, (i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price**,** and the Regulatory Asset shall be adjusted accordingly; and (ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any

[4] ~~Funding Rebate language to be included in Transfer Notice only when Clean Energy Adjustment is not being charged.~~

adverse claim, and shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest.

Specified portion of Regulatory Asset: $■

Purchase Price: $■

Closing Date: ■

The Transferor hereby represents, warrants and confirms that:

(i) each of the representations and warranties on the part of the Transferor contained in the Master Transfer and Servicing Agreement are true and correct in all respects on the date hereof as if made on the date hereof;

(ii) the Transferor is not in breach of any of its covenants in the Master Transfer and Servicing Agreement; and

(iii) as of the date hereof, each condition precedent that must be satisfied by the Transferor under Section 2.2 of the Master Transfer and Servicing Agreement is capable of being satisfied prior to Closing Date.

The closing shall take place at ■ (Toronto time) on the Closing Date referred to above at the offices of ■, except as may be otherwise mutually agreed. **The Purchase Price shall be paid on that date by bank wire transfer to [insert IESO bank account details].**

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

The undersigned hereby accepts the foregoing offer.

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT B

FORM OF MONTHLY REPORT

See Attached

MONTHLY REPORT

[NTD: Subject to continuing review by the Dealers and ~~Counsel to confirm form of Monthly IESO Report~~their counsel.]

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted~~ by **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Report have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ~~3.3~~■ of the Master Transfer and Servicing Agreement the Servicer hereby certifies in respect of the Billing Period corresponding to the calendar month of ■, ■, as follows:

	Item	**Amount**
(A)	Servicer CEA ~~Collections~~**Receipts**:	$■
(B)	Balance of Collection Account:	$■

[NTD: Any additional information considered necessary for OPG/IESO to be included.]

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT C

FORM OF MONTHLY ~~FUNDING REBATE~~CARRYING COSTS STATEMENT

See Attached

MONTHLY ~~FUNDING REBATE~~CARRYING COSTS STATEMENT

TO: INDEPENDENT ELECTRICITY SYSTEM OPERATOR
[Address]

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted by~~ **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly ~~Funding Rebate~~**Carrying Costs** Statement have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ~~3.4(a)~~**3.14** of the Master Transfer and Servicing Agreement, the undersigned hereby certifies that the Monthly ~~Funding Expenses incurred by the Issuer~~**Carrying Costs** in respect of the calendar month of ■, ■ are as follows:

~~Monthly Funding Expense~~	**Amount**
Funding ~~Costs~~**costs**:	$■
~~Finance Reserve Deposits~~**Derivative payments to be made**:	$■
Amounts deposited into accounts other than capital accounts:	**$■**
Financing ~~Entity Expenses~~**entity expenses**:	$■
Tax ~~Liabilities (net of Tax Refunds)~~**liabilities**:	$■
~~Total Monthly Funding Expense~~**Subtotal**:	$■
LESS:	
Amounts withdrawn from accounts other than capital accounts:	
Derivative payments to be received:	
Tax refunds:	**$■**
Subtotal:	**$■**
Monthly Carrying Costs	**$■**

~~**[NTD: Any additional information considered necessary for OPG/IESO to be included.]**~~

In accordance with Section ~~3.4~~**3.14**(b) of the Master Transfer and Servicing Agreement, the undersigned hereby directs you to deliver to the Issuer, by wire transfer to the account set forth below, an amount in Canadian dollars equal to the ~~Total~~ Monthly ~~Funding Expense~~**Carrying Costs** set forth above on or before ■, 20■, and this shall be your good and valid authority for so doing.

[NTD: Wire transfer instructions to be provided by OPG.]

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Document comparison by Workshare Compare on October-25-17 12:04:10 PM

Input:	
Document 1 ID	file://C:\Users\rramchan\Desktop\Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version).docx
Description	Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version)
Document 2 ID	interwovenSite://INVENTORYS1/TorysAtWork/24367979/3
Description	#24367979v3<TorysAtWork> - Fair Hydro - MTSA (Osler Oct 20 Draft)
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	437
Deletions	421
Moved from	29
Moved to	29
Style change	0
Format changed	0

Total changes	916

MASTER TRANSFER AND SERVICING AGREEMENT

between

[FINANCING ENTITY]
as Issuer

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

~~Acknowledged~~ and ~~Accepted by~~

■
as Indenture Trustee

Dated as of ■, 2017

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EXHIBIT

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Exhibit B – Form of Monthly Report
Exhibit C – Form of Monthly ~~Funding Rebate~~Carrying Costs Statement

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MASTER TRANSFER AND SERVICING AGREEMENT

THIS AGREEMENT made as of ■, 2017.

BETWEEN:

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario

(the "**Issuer**")

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital amalgamated under the laws of the Province of Ontario

(the "**Transferor**" in its capacity as transferor, the "**Servicer**", in its capacity as servicer, and the "**IESO**" in its capacity as both Transferor and Servicer)

- ~~acknowledged~~ and ~~accepted by~~ -

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee

(the "**Indenture Trustee**")

WHEREAS the Government of Ontario has enacted the *Ontario Fair Hydro Act, 2017* (the "**Act**") for the purpose of, among other things, ensuring that clean energy costs and clean energy benefits (each as defined in the Act) are fairly allocated among present and future Specified Consumers;

AND WHEREAS, under the Act, the IESO is required to establish and maintain the Fair Hydro Variance Account, and has the right under the Act and the Regulations to record certain amounts in the Fair Hydro Variance Account and recover the balance from time to time of the Fair Hydro Variance Account from Specified Consumers (such right, the "**Regulatory Asset**");

AND WHEREAS the IESO may from time to time, in accordance with the Act, Transfer a ~~specified portion~~**Specified Portion** of the Regulatory Asset to the Issuer on a fully-serviced

basis, and pursuant to Section 26(3) of the Act, such a Transfer ~~shall result~~results in (i) a reduction in the balance in the Fair Hydro Variance Account, (ii) the corresponding adjustment of the Regulatory Asset, and (iii) the acquisition by the Issuer of an Investment Interest corresponding to the ~~specified portion~~Specified Portion of the Regulatory Asset;

AND WHEREAS the Issuer may finance the acquisition from the IESO, from time to time, of an Investment Interest through the incurrence of Funding Obligations under the Indenture;

AND WHEREAS the Issuer will grant a security interest over all of the Issuer Investment Interest to and in favour of the Indenture Trustee on behalf of all Specified Creditors;

AND WHEREAS in connection with its ownership of the Issuer Investment Interest and in order to collect the associated Clean Energy Adjustments in accordance with the Act, the Issuer desires to engage the Servicer to carry out the services described herein and the Servicer desires to be so engaged;

AND WHEREAS the Indenture Trustee has been appointed pursuant to the Indenture to act on behalf of all Specified Creditors (as defined in the Indenture) and wishes to acknowledge and accept the rights and obligations granted to it thereby, including, but not limited to, its rights set forth in this Agreement.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**Act**" has the meaning ascribed thereto in the recitals;

~~"**Administrative Agent**" means OPG, in its capacity as administrative agent of the Issuer;~~

~~"**Administrative Services Agreement**" means the administrative services agreement dated ■, 2017 between the Administrative Agent and the Issuer concerning the reimbursement of certain costs incurred by the Administrative Agent in connection with the administration of the Issuer;~~

~~"**Affiliate**" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "**control**" when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the~~

~~ownership of voting securities, by contract or otherwise, and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing;~~

"**Agreement**" means this master transfer and servicing agreement, as amended, supplemented, modified, restated or replaced from time to time, and the expressions "herein", "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and not to any Article, Section, paragraph, subparagraph or clause hereof;

"**Billing Period**" means a calendar month in which the Clean Energy Adjustment is billed to Specified Consumers;

"**Board**" means the Ontario Energy Board, a statutory corporation without share capital continued under the *Ontario Energy Board Act, 1998*, S.O., 1998;

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are~~, or the office of the Indenture Trustee is,~~ authorized or obligated by law, regulation or executive order to be closed;

"Carrying Costs" has the meaning ascribed to the term "carrying costs" in the Regulations;

"**CEA Consumer Invoice Amounts**" means amounts invoiced by an Electricity Vendor to Specified Consumers in respect of the Clean Energy Adjustment based on the rates established by the Board;

"**Clean Energy Adjustment**" has the meaning ascribed to the term "clean energy adjustment" in the Act;

"**Closing Date**" means the date on which a Transfer is completed as specified in the applicable Transfer Notice;

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the ~~Issuer~~**parties hereto** and any other owner or owners of an Investment Interest as contemplated by ~~subsection~~**Section** 29(5) of the Act **in form and substance satisfactory to the parties hereto, acting reasonably**;

"**Co-Owner Implementation Date**" means the date, if any, upon which the Issuer Investment Interest ceases to be the only Investment Interest outstanding representing the full Investment Asset;

"**Collection Account**" has the meaning ascribed thereto in Section **[8.02(a)]**[1] of the Indenture;

~~"**Corporate Trust Office**" means the office of the Indenture Trustee at which, at any particular time, its corporate trust business shall be administered, which office as of the date hereof is located at ■; Telephone: ■; Email: ■, or at such other address as the Indenture Trustee may designate from time to time by notice to the Specified Creditors and the Issuer, or the principal corporate trust office of any successor trustee designated by like notice;~~

[1] All cross-references to the Indenture to be conformed to the final version of the Indenture.

"**Daily Remittance Event**" means ~~■ [NTD: Definition to be tied to the loss of investment grade ratings of the IESO]~~the occurrence of either: (i) a Servicer Default or (ii) the IESO (or any successor thereto) ceasing to have the Required Servicer Rating;

"**Declaration of Trust**" means the declaration of trust made as of ■, 2017 under which the Issuer was established, as may be supplemented, amended, replaced or amended and restated from time to time;

~~"**Electricity Act**" means the *Electricity Act, 1998*, SO, 1998;~~

"**Electricity Vendor**" has the meaning ascribed to the term "electricity vendor" in the Act;

"**Electricity Vendor CEA Collections**" means payments actually received by Electricity Vendors from Specified Consumers in respect of Clean Energy Adjustments;

"**Electricity Vendor Billing Period Report" means a report as contemplated by Section 17(s) of the Act from each Electricity Vendor in respect of each Billing Period where Clean Energy Adjustments are billed to Specified Consumers containing:**

(a) **its total CEA Consumer Invoice Amounts in such Billing Period;**

(b) **its total Electricity Vendor CEA Collections during such Billing Period; and**

(c) **such other information as may be agreed to.**

"Eligible Deposit Account" means an account in Canada with an Eligible Institution;

"**Eligible Institution**" means:

(a) at any time before the Co-Owner Implementation Date, an "Eligible Institution" as defined in the Indenture; and

(b) at any time on or after the Co-Owner Implementation Date, an "Eligible Institution" as defined in the applicable Co-Owner Agreement;

"**Fair Hydro Variance Account**" means the variance account established by the IESO pursuant to ~~subsection~~**Section** 24(1) of the Act;

~~"**Finance Reserve Deposit**" has the meaning ascribed to the term "finance reserve deposit" in the Regulations;~~

"**Financing Entity**" has the meaning ascribed to the term "financing entity" in the Act;

~~"**Financing Entity Expenses**" has the meaning ascribed to the term "financing entity expense" in the Regulations;~~

~~"**Funding Cost**" has the meaning ascribed to the term "funding cost" in the Regulations;~~

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act;

~~["**Funding Rebate**" has the meaning ascribed thereto in Section 3.4(b);]~~**[NTD: Terminology and provisions relating to IESO payment of carrying costs during the moratorium period subject to finalization of regulations creating this obligation.]**

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

"**IESO**" or "**Independent Electricity System Operator**" means the Independent Electricity System Operator, a statutory corporation without share capital established by the *Electricity Act*, *1998*, SO, 1998;

[NTD: The Issuer may at some point have to publicly file this Agreement, and a copy of it will be circulated to the rating agencies. Therefore, it seems prudent not to include IESO bank account details in the Agreement.]

"**IESO Deferral**"~~, at any time, means the amount determined by the IESO under subsection 23(1) of the Act and sections 15 and 16 of the Regulations and recorded by the IESO under subsection 24(1) of the Act in the Fair Hydro Variance Account at such time~~ **has the meaning ascribed to the term "IESO deferral" in the Act**;

"**IESO Disclosure**" has the meaning ascribed thereto in Section 5.7;

"**IESO Segregated Account**" **has the meaning ascribed thereto in Section** means the account established under Section ~~3.3~~**3.4**(a);

"**Indemnified Losses**" has the meaning ascribed thereto in Section 6.1(a);

"**Indemnified Party**" has the meaning ascribed thereto in Section 6.1(a);

"**Indenture**" means the master trust indenture dated ■, 2017 between the Indenture Trustee and the Issuer;

"**Indenture Trustee**" means ■, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee for the benefit of Specified Creditors, or any successor thereto, under the Indenture;

"**Insolvency Event**" means, with respect to a specified Person, the specified Person admits the inability of such specified Person to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of such specified Person or otherwise acknowledges the insolvency of such specified Person or any proceeding shall be instituted by or against such specified Person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization,

moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, trustee or other similar official for such specified Person or for any substantial part of its property and if such proceeding has been instituted against such specified Person either such proceeding has not been stayed or dismissed within **[45]** days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part, or if a receiver is privately appointed in respect of such specified Person or of the property of such specified Person or any substantial part thereof;

"**Investment Asset**" has the meaning ascribed to the term "investment asset" in the Act;

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act;

"**Issuer**" means ■, a trust formed under the laws of the Province of Ontario;

"**Issuer Funding Obligations**" means the Funding Obligations of the Issuer;

"**Issuer Investment Interest**" means, initially, the Investment Interest acquired by the Issuer pursuant to the first Transfer completed under this Agreement and, upon the completion of each Transfer thereafter, the cumulative Investment Interest acquired by the Issuer;

"**Issuer Share**" means:

(a) at any time before the Co-Owner Implementation Date, 100%; and

(b) at any time on or after the Co-Owner Implementation Date, the percentage determined in accordance with the applicable Co-Owner Agreement;

"**Issuer Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Issuer at such time;

"**Lien**" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind;

"**Management Agreement**" means the management agreement dated ■, 2017 between the Manager and the Issuer;

"**Manager**" means OPG, in its capacity as manager of the Issuer, and any successor appointed in accordance with the Management Agreement;

"**Minister**" means the Minister of Energy or such other member of the Executive Council as may be assigned the administration of the Act under the *Executive Council Act*;

"**Monthly ~~Funding Expenses~~Carrying Costs**" has the meaning ascribed thereto in Section ~~3.4~~3.14(~~a~~b);

"**Monthly ~~Funding Rebate~~Carrying Costs Statement**" has the meaning ascribed thereto in Section ~~3.4~~3.14(~~a~~b);

~~25847049.5~~**24817972.2**

"**Monthly Report**" has the meaning ascribed thereto in Section ~~3.3~~**3.5**(~~e~~**a**);

"**Officer's Certificate**" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section **[10.01]** of the Indenture, and delivered to the Indenture Trustee;

"**OPG**" means Ontario Power Generation Inc., a corporation established under the laws of the Province of Ontario;

"**Opinion of Counsel**" means one or more written opinions of counsel, ~~who may, except as otherwise expressly provided in the Program Agreements, be employees of or counsel to the party providing such opinion of counsel,~~ which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party;

~~"**Outstanding Amount**" means the aggregate principal amount of all Funding Obligations outstanding at the date of determination;~~

"**Permitted Successor**" means any successor to the IESO under the Act, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, conversion, acquisition, sale or transfer, by operation of law, as a result of any restructuring, or otherwise, but only to the extent such successor is approved by the Minister;

"Permitted Transfer" means (i) a Transfer to the Issuer pursuant to this Agreement; and (ii) a Transfer to a person who has entered into a Co-Owner Agreement with, inter alia, the Issuer.

"**Person**" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority;

"**Proceeding**" means any suit in equity, action at law or other judicial or administrative proceeding;

"**Program Agreements**" ~~means the Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Administrative Services Agreement, this Agreement, each Transfer Notice, any Co-Owner Agreements, the Provincial Protection and Assurances Agreement and any hedging agreements, credit enhancement agreements, loan agreements and underwriting or agency agreements in effect at such time and all other documents and certificates delivered in connection therewith;~~**has the meaning ascribed thereto in the Indenture;**

~~"**Provincial Protection and Assurances Agreement**" means the Provincial Protection and Assurances Agreement dated as of ■, 2017 between **[Her Majesty the Queen in Right of Ontario, as represented by the Minister, the Indenture Trustee and the Issuer]**[NTD: **Subject to finalization of agreement**];~~

"**Purchase Price**" has the meaning ascribed thereto in Section 2.1(a);

"**Rating Agency**" has the meaning ascribed thereto in the Indenture;

"**Rating Agency Condition**" has the meaning ascribed thereto in the Indenture;

"**Records**" has the meaning ascribed thereto in Section 7.1;

~~"**Reference Period**" has the meaning ascribed to the term "reference period" in the Act;~~

"**Regulations**" means Ontario Regulation 206/17: General, together with any other regulations promulgated under the Act;

"**Regulatory Asset**" has the meaning ascribed thereto in the recitals;

"**Released Parties**" has the meaning ascribed thereto in Section 6.1(~~e~~**f**);

"**Remittance Date**" means, in respect of each Billing Period, the **[3rd]**[2] ~~Servicer~~ Business Day following the last day of each Billing Period;

"Required Servicer Rating" means ■; [NTD: Definition to tie to loss of investment grade credit rating.]

"**Requirement of Law**" means any foreign, Canadian federal, provincial or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law;

"**Responsible Officer**" means, with respect to: (a) the Issuer, any authorized director or officer of the Manager; (b) the Servicer, any authorized director or officer of the IESO; (c) a Successor Servicer, any authorized director or officer of the Successor Servicer; and (d) the Indenture Trustee, any officer ~~within the Corporate Trust Office~~ of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject);

"**Servicer**" means the Independent Electricity System Operator, as Servicer under this Agreement, or any Successor Servicer to the extent permitted under this Agreement;

~~"**Servicer Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obligated by law, regulation or executive order to be closed, on which the Servicer maintains normal office hours and conducts business;~~

"**Servicer CEA ~~Collections~~Receipts**" has the meaning ascribed thereto in Section ~~3.2(a)(ii~~**3.4(e**);

[2] ~~Based on the monthly payment cycle charts prepared by OPG.~~

"**Servicer Default**" has the meaning ascribed thereto in Section 7.1;

"**Specified Consumer**" has the meaning ascribed to the term "specified consumer" in the Act;

"**Specified Creditors**" has the meaning ascribed thereto in the Indenture;

"**Specified Portion**" means, in respect of the Regulatory Asset and any Transfer, the portion of the Regulatory Asset subject to such Transfer, as set out in the applicable Transfer Notice.

"**Successor Servicer**" has the meaning ascribed thereto in Section **[3.07(e)]** of the Indenture;

"**Supplemental Indenture**" means an indenture supplemental to the Indenture that authorizes the incurrence of Funding Obligations;

~~"**Tax Liability**" has the meaning ascribed to the term "tax liability" in the Regulations;~~

~~"**Tax Refund**" has the meaning ascribed to the term "tax refund" in the Regulations;~~

"**Termination Event**" has the meaning ascribed thereto in Section ~~3.11~~■;

"**Termination Notice**" has the meaning ascribed thereto in Section 7.1;

"**Transfer**" has the meaning ascribed to the term "transfer" in the Act, and "**Transferred**" has a corresponding meaning;

"**Transfer Notice**" means a Transfer Notice in respect of a Transfer substantially in the form of Exhibit A to this Agreement and delivered pursuant to Section 2.1(a) of this Agreement; and

"**Transferor**" means the Independent Electricity System Operator, as transferor under this Agreement;

1.2 Sections and Headings[~~3~~2]

The table of contents does not form part of this Agreement. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

(a) Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. A reference to any agreement, instrument or declaration

[~~3~~2] Torys to conform boilerplate provisions, as applicable, across all transaction documents.

means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or replaced from time to time.

(b) The term "**including**" means "including without limitation", and other forms of the verb "**include**" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated, in the computation of a period of time from a specified date to a later specified date, the word "**from**" means "**from and including**" and each of the words "**to**" and "**until**" means "**to but excluding**".

(e) The words "**hereof**", "**herein**" and "**hereunder**" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, unless otherwise specified. References to Articles, Sections, Appendices and Exhibits in this Agreement are references to Articles, Sections, Appendices and Exhibits in or to this Agreement unless otherwise specified.

(f) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor.

(g) The word "**will**" shall be construed to have the same meaning and effect as the word "**shall**". The word "**or**" is not exclusive.

ARTICLE 2
TRANSFER OF SPECIFIED PORTIONS OF THE REGULATORY ASSET

2.1 Transfer Notices and Agreement to Transfer a Specified Portion of the Regulatory Asset

(a) The Transferor may, no more frequently than monthly and no later than the 8th Business Day of ~~each~~**any** calendar month, ~~provide~~**offer** to **Transfer to** the Issuer a **Specified Portion of the Regulatory Asset by providing to the Issuer a** Transfer Notice executed by the Transferor and setting out (i) the ~~specified~~

~~portion~~**Specified Portion** of the Regulatory Asset that the Transferor ~~desires~~**is offering** to Transfer to the Issuer, (ii) the consideration to be paid to the Transferor by the Issuer for the Transfer (the "**Purchase Price**") which shall be equal to the amount of ~~the specified portion~~**such Specified Portion** of the Regulatory Asset ~~that the Transferor proposes to Transfer to the Issuer~~, (iii) the Closing Date to effect such transfer which shall be **no earlier than** the ~~10~~**[5th]** Business Day ~~following~~**after the** delivery of the **Transfer Notice and no later than the last Business Day of the calendar month in which the** Transfer Notice **was delivered**, or such other ~~date~~**Business Day** as may be agreed ~~upon~~ by the Transferor and the Issuer, and (iv) such other information as required in the form of Transfer Notice attached as Exhibit A hereto.

~~(b)~~ ~~**[The Issuer shall use commercially reasonable efforts to provide reasonable notice to the Transferor if the Issuer has reasonable cause to believe that it will not accept a Transfer Notice sent by the Transferor or that the conditions precedent in Sections 2.2(b)(i), (v), (vi), (vii), (viii) and (vii) will not be satisfied on the relevant Closing Date.][NTD: Subject to review by OPG.]**~~

(b) ~~(c)~~ On or before the 2nd Business Day following receipt of a Transfer Notice, the Issuer shall have the right, but not the obligation, to accept the Transferor's offer to Transfer the ~~portion~~**Specified Portion** of the Regulatory Asset subject to the Transfer Notice by executing and returning such Transfer Notice to the Transferor. Upon acceptance by the Issuer of the Transfer Notice, there shall be a binding agreement for IESO to Transfer the ~~specified portion~~**Specified Portion** of the Regulatory Asset and for the Issuer to pay the Purchase Price, subject to satisfaction of all conditions precedent in Section 2.2.

~~(d) In consideration and as an inducement for the Issuer to acquire the Investment Interest at the Purchase Price, the Transferor shall, concurrently with each such Transfer and in accordance with Section 3.4, agree to pay to the Issuer all Monthly Funding Expenses that are incurred by or on behalf of the Issuer in connection with each applicable Transfer in respect of each calendar month in which there are no Clean Energy Adjustments billed to Specified Consumers.~~

(c) ~~(e)~~ Provided that all conditions precedent set out in Section 2.2 have been satisfied on or prior to the applicable Closing Date, on the applicable Closing Date, the Issuer shall deliver or cause to be delivered to the Transferor, by **bank** wire transfer **or bank electronic funds transfer,** in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set forth in the applicable Transfer Notice. **The Transferor agrees that receipt by the Transferor of the payment referred to in this Section 2.1(c) is receipt by the Transferor of a payment referred to in Section 26(3) of the Act.**

(d) ~~(f) Upon receipt by the Transferor of the payment referred to in Section 2.1(e):~~ **Upon receipt by the Transferor of the payment referred to in Section 2.1(c),** the Transferor shall reduce the balance of the Fair Hydro Variance Account by an

amount equal to the Purchase Price **received and shall retain no further right, title or interest in the corresponding Issuer Investment Interest.**

~~(i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price and, as a consequence, the Regulatory Asset shall be adjusted accordingly; and~~

~~(ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any adverse claim, and in accordance with section 27(1) of the Act, shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Issuer.~~

~~(g) Any Transfer of a specified portion of the Regulatory Asset by the Transferor pursuant to this Agreement shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Issuer, shall be treated as a true sale and not as a pledge of or secured transaction relating to the Transferor's right, title, and interest in, to, and under the specified portion of the Regulatory Asset. After giving effect to a Transfer contemplated hereby, the Transferor shall have no right, title or interest in, to or under the corresponding Investment Interest because (i) it has Transferred all of its right, title and interest in and to the corresponding specified portion of the Regulatory Asset to the Issuer, (ii) as provided in the Act, all right, title and interest to the corresponding Investment Interest shall be vested in the Issuer, (iii) as provided in the Act, such Transfer is perfected, vested, valid and binding as against the Transferor and all other Persons who may have claims of any kind against the Transferor, regardless of whether the Persons who have claims have received notice of the Transfer, and (iv) the property rights and interests acquired by the Issuer shall be free and clear of any Liens arising through the IESO.~~

(e) The parties intend that this Agreement, together with each Transfer Notice accepted by the Issuer, constitute an agreement, for purposes of Section 27(2) of the Act for the Transferor to dispose, upon receipt by the Transferor of the payment referred to in Section 2.1(d), of a Specified Portion of the Regulatory Asset and to assign, convey or sell a corresponding Investment Interest to the Issuer.

2.2 Conditions Precedent to each Transfer of a Specified Portion of the Regulatory Asset

(a) The obligation of the Issuer to pay the Purchase Price related to the initial Transfer of a ~~specified portion~~**Specified Portion** of the Regulatory Asset shall be subject to the satisfaction by the Transferor, or waiver by the Issuer and the Indenture Trustee, of the following ~~condition~~**conditions**:

(i) the Issuer and the Indenture Trustee shall have received from the Transferor the following documents, in form and substance satisfactory to each of the Issuer and the Indenture Trustee:

(A) a certificate of an officer of the IESO, dated the initial Closing Date certifying (1) that attached thereto is a true and complete copy of the by-laws of the IESO, each as in effect on the date of such certificate, (2) that attached thereto is a true and complete copy of a resolution adopted by the IESO's board of directors authorizing the execution, delivery and performance of this Agreement and the ~~Program Agreements to which~~**performance by** the IESO ~~is party~~**of its obligations hereunder**, and that such resolution has not been modified, rescinded or amended and is in full force and effect, and (3) as to the incumbency and true specimen signature of each of the IESO officers **or delegates** executing this Agreement ~~or any of the Program Agreements to which the IESO is party~~**and authorized to give notices and instructions hereunder (which can be changed by notice hereunder)**; and

(B) ~~reports showing the results of searches conducted against the IESO under applicable personal property security registers in the Province of Ontario together with executed copies of all discharges or releases of prior security interests relating to the Regulatory Asset subject to the Transfer; provided that the IESO may establish that any particular registration does not affect the Regulatory Asset by delivering a letter or acknowledgment signed by the applicable secured party.~~the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them**. [NTD: Scope of opinions required to be confirmed by the Dealers and their counsel]**

(b) The obligation of the Issuer to pay the Purchase Price related to each Transfer of a ~~specified portion~~**Specified Portion** of the Regulatory Asset (including the initial Transfer) shall be subject to the satisfaction or waiver by the Issuer and the Indenture Trustee of each of the following conditions:

(i) as of the applicable Closing Date, all Program Agreements shall have been entered into on terms and conditions satisfactory to the Issuer and the Indenture Trustee and shall be in full force and effect as of such Closing Date;

(ii) as of the applicable Closing Date, no Insolvency Event in respect of the Transferor shall have occurred and the Transferor ~~is not insolvent and will not have been made insolvent by such Transfer and the Transferor~~ is not aware of any pending ~~insolvency~~**Insolvency Event** with respect to itself;

(iii) as of the applicable Closing Date, (A) the representations and warranties of the IESO in this Agreement must be true and correct with the same force and effect as if made on that date (except to the extent they relate to an earlier date), (B) no breach of any covenant or agreement of the IESO contained in this Agreement shall have occurred ~~and not been waived~~**be continuing**, and (C) no Servicer Default shall have occurred and ~~not been waived~~**be continuing**;

(iv) on or prior to the applicable Closing Date, the Transferor shall have taken all action required to provide for the Transfer, upon payment of the Purchase Price, of the ~~specified portion~~**Specified Portion** of the Regulatory Asset as set forth in the applicable Transfer Notice on the Closing Date, free and clear of all Liens other than Liens created by the Issuer pursuant to the Program Agreements;

(v) the Transferor shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate confirming the satisfaction of each condition precedent specified in Sections 2.2(b)(i), (ii), (iii) and (iv);

~~(vi) the Transferor shall have delivered to the Indenture Trustee, the Rating Agencies and the Issuer any Opinions of Counsel reasonably required by them [NTD: Scope of opinions required to be confirmed by the Dealers and their counsel];~~

(vi) ~~(vii)~~ as of the applicable Closing Date, (A) the Issuer shall have sufficient funds available to pay the Purchase Price as set forth in the applicable Transfer Notice, (B) all conditions to any incurrence of Funding Obligations intended to provide such funds set forth in the Indenture (and any applicable Supplemental Indenture) or other instrument shall have been satisfied or waived, (C) the Rating Agency Condition in respect of the issuance of the Funding Obligations funding the payment of the Purchase Price shall have been satisfied, and (D) the Funding Obligation required to fund the payment of the Purchase Price shall have been issued at the same time as, or prior to, the Transfer; and

(vii) ~~(viii)~~ after giving effect to the Transfer, each of the Fair Hydro Variance Account and the Regulatory Asset will have a balance or amount, as applicable, equal to or greater than zero.

ARTICLE 3
ROLE OF THE SERVICER

3.1 Designation of Servicer

Each Transfer of a specified portion of the Regulatory Asset shall be made on the basis that the related Issuer Investment Interest shall be ~~fully~~ serviced by the Servicer **in**

accordance with this Article 3, and the IESO or any Permitted Successor of the IESO that is the Servicer shall not be entitled to receive any further compensation from the Issuer ~~or the Indenture Trustee~~ for its services in connection therewith. The Servicer ~~acknowledges the responsibility of the Servicer for servicing the related Issuer Investment Interest corresponding to the specified portion of the Regulatory Asset Transferred by the Transferor under this Agreement and hereby~~ agrees to perform the duties and obligations of the Servicer pursuant to the terms hereof at no additional cost to the Issuer.

3.2 ~~**Duties of Servicer Generally**~~**Forecast of Electricity Consumption**

~~(a)~~ ~~The Servicer shall:~~

~~(i)~~ ~~issue settlement statements to Electricity Vendors that include amounts in respect of the Clean Energy Adjustment as prescribed by the Act and the Regulations;~~

~~(ii)~~ ~~receive from Electricity Vendors amounts in respect of Electricity Vendor CEA Collections including payments made directly to the IESO as an Electricity Vendor (such amounts received being "**Servicer CEA Collections**");~~

~~(iii)~~ ~~hold and remit Servicer CEA Collections in accordance with Section 3.3;~~

~~(iv)~~ ~~receive information from Electricity Vendors in respect of CEA Consumer Invoice Amounts and Electricity Vendor CEA Collections and such other information as the IESO may reasonably request for the purposes of determining the IESO Deferral or such further information as may be required;~~

~~(v)~~ ~~determine and record the IESO Deferral for each month and make any necessary corrections thereto in accordance with the Act and the Regulations;~~

~~(vi)~~ ~~forecast electricity demand by Specified Consumers for Reference Periods;~~

The IESO shall:

(a) ~~(vii)~~ provide ~~information~~ to the Board ~~in respect of forecast electricity demand or any other information the Board may require from the Servicer to facilitate the Board's determination of the rates at which~~**and the Financial Services Manager the forecasts of electricity consumption by** Specified Consumers ~~are to be invoiced so as to enable full recovery of the Clean Energy Adjustment in respect of any Reference Period;~~ **as contemplated by Section 8(3) of the Regulations; and**

~~(viii)~~ ~~respond to inquiries by Electricity Vendors, the Board or any other Governmental Authority with respect to the Clean Energy Adjustment;~~

~~(ix) investigate and handle delinquencies by Electricity Vendors regarding Servicer CEA Collections (and furnish reports with respect to such delinquencies to the Issuer);~~

~~(x) process and deposit Servicer CEA Collections and make periodic remittances to the Issuer in accordance with Section 3.3;~~

~~(xi) furnish periodic and current reports to the Issuer, the Board, the Indenture Trustee and the Rating Agencies, as may reasonably be required by the Issuer;~~

~~(xii) take all necessary action in connection with Funding Rebates as set forth herein and in the Regulations; and~~

~~(xiii) perform such other duties as may be reasonably required from time to time to be performed by it.~~

(b) ~~Without limiting the generality of Section 3.2(a), in furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with, the duties and responsibilities relating to data acquisition, consumption and settlement statement calculation, settlement, collections, posting, payment processing and remittance with reasonable care and in material compliance with each applicable Requirement of Law, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to similar assets for its own account and, if applicable, for others.~~**provide to the Board and the Financial Services Manager such other information and reports as the Board or the Financial Services Manager may reasonably request in connection with the calculation of the Clean Energy Adjustments and which is reasonably available to the Transferor without incurring material incremental expense.**

~~(c) Notwithstanding anything to the contrary in this Agreement, the duties of the Servicer set forth in this Agreement shall be qualified and limited in their entirety by the Act, the Regulations, all applicable laws and the rules and regulations promulgated thereunder as in effect at the time such duties are to be performed.~~

3.3 ~~Remittances~~ISO Deferral

~~(a)~~ The **IESO shall:**

(a) determine the IESO Deferral as required by Section 23 of the Act and the Regulations; and

(b) maintain the Fair Hydro Variance Account as required by Section 24 of the Act and the Regulations.

~~25847649.5~~

3.4 Clean Energy Adjustments and Electricity Vendors

The Servicer shall:

(a) **prior to receiving** Servicer ~~shall~~**CEA Receipts,** establish an Eligible Deposit Account (the "**IESO Segregated Account**") bearing a designation ~~clearly~~ indicating that the funds deposited therein are held in trust for the benefit of the **Issuer and, after the Co-Owner Implementation Date, for the benefit of any other owner or** owners of **an** Investment ~~Interests~~**Interest**. If at any time the IESO Segregated Account ceases to be an Eligible Deposit Account, the Servicer shall within 30 days establish a new IESO Segregated Account as an Eligible Deposit Account and shall transfer any cash and/or any investments held in the former account to such new account and make all future deposits to such new account~~.~~**;**

(b) **prior to the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, make reasonable efforts to work with each Electricity Vendor to:**

(i) **establish a segregated account into which Electricity Vendor CEA Collections are to be deposited as required by Section 10(2) of the Regulations;**

(ii) **settle a form of Electricity Vendor Billing Period Report to be used by such Electricity Vendor; and**

(iii) **establish procedures for the invoicing by such Electricity Vendor of amounts in respect of the Clean Energy Adjustment, the identification, deposit and segregation of Electricity Vendor CEA Collections, the remittance of Electricity Vendor CEA Collections to the Servicer and reporting to the Servicer; [NTD: Generally, someone will need to take responsibility for educating the Electricity Vendors and we believe the IESO is best positioned to take on this role given its existing relationships and opportunities to interact with the EVs.]**

(c) **request certification from each Electricity Vendor that the segregated account required by Section 10(2) of the Regulations has been established by that Electricity Vendor;**

(d) **as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive Electricity Vendor CEA Collections from Electricity Vendors;**

(e) **as agent of the Issuer and, after the Co-Owner Implementation Date, as agent of any other owner or owners of an Investment Interest, receive any amounts in respect of Clean Energy Adjustments payable directly by Specified Consumers to the Servicer (such amounts, together with the amounts referred to in Section 3.4(d), the "Servicer CEA Receipts");**

(f) ~~(b) The Servicer shall~~ deposit ~~all~~**the** Servicer CEA ~~Collections~~**Receipts** into the IESO Segregated Account promptly following receipt by the Servicer and, in any event, within **[**two ~~Servicer~~ Business Days**]** of receipt by the Servicer and **the Issuer Share of** such Servicer CEA ~~Collections~~**Receipts** shall remain in the IESO Segregated Account until remitted in accordance with Section ~~3.3(d)~~ **3.6;**

(g) respond to inquiries by Electricity Vendors **with respect to the Clean Energy Adjustment and amounts payable in respect thereof;**

(h) **request from each Electricity Vendor an Electricity Vendor Billing Period Report in respect of each Billing Period during which Clean Energy Adjustments are billed to Specified Consumers; such report to be requested to be delivered within ■ Business Days of the end of each Billing Period;**

(i) **review each Electricity Vendor Billing Period Report received by the Servicer for material manifest discrepancies including any discrepancy between the Electricity Vendor CEA Collections reported in respect of the Billing Period and the amount remitted pursuant to Section 3.4(d);**

(j) **make reasonable efforts to contact each Electricity Vendor that:**

(i) **does not deliver an Electricity Vendor Billing Period Report in respect of a Billing Period where Clean Energy Adjustments were payable by Specified Consumers;**

(ii) **does not remit any Electricity Vendor CEA Collections in accordance with Section 3.4(d) or remits Electricity Vendor CEA Collections that do not match the amount thereof reported in its Electricity Vendor Billing Period Report,**

(iii) **delivers an Electricity Vendor Billing Period Report that has any other material manifest discrepancy detected by the Servicer, or**

(iv) **does not certify that it has established the segregated account required by Section 10(2) of the Regulations,**

and attempt to resolve the applicable issue;

(k) **on a periodic basis as requested by the Issuer, review, pursuant to its rights under Section 10(4) of the Regulations, the records maintained by each Electricity Vendor with respect to Clean Energy Adjustments; provided that in the absence of evidence of material non-compliance by an Electricity Vendor with its duties and obligations in respect of Clean Energy Adjustments, the Servicer shall not be required to review the records of a Electricity Vendor more often than ■.**

(l) ~~(c) The IESO agrees and acknowledges that it holds all~~**hold the Issuer Share of** Servicer CEA ~~Collections~~**Receipts** and **the Issuer Share of** any other proceeds in

respect of the Clean Energy Adjustment received by it in trust for the benefit of the Issuer, any other owner of Investment Interests, the Indenture Trustee and the Specified Creditors and that all such amounts will be remitted by the Servicer and remit such amounts in accordance with this Section 3.3 3.6 without any surcharge, fee, offset, charge or other deduction.

3.5 Reporting

The IESO further agrees not to make any claim to reduce its obligation to remit all Servicer CEA Collections received by it in accordance with this Agreement. Servicer shall:

(d) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA Collections received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period. Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA Collections on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account on each Servicer Business Day.

(a) (e) On on or before the **[2nd] Servicer 8th Business Day]** following the end of each Billing Period, the Servicer shall prepare and deliver to the Issuer, the Indenture Trustee and the Rating Agencies a written report substantially in the form of Exhibit B (a "**Monthly Report**"). ;

3.4 [Funding Rebates]

[NTD: Terminology and provisions relating to IESO payment of carrying costs during the moratorium period subject to finalization of regulations creating this obligation.]

(b) report to the Issuer any delinquencies by Electricity Vendors in respect of the CEA amounts collected and the remittance of Electricity Vendor CEA Collections;

(c) (a) On or before the **[4th]** Servicer Business Day following the end of each calendar month in which no Clean Energy Adjustment is billed to Specified Consumers, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of Exhibit C (a "**Monthly Funding Rebate Statement**") setting out the aggregate amount of all (i) Funding Costs, (ii) Finance Reserve Deposits, (iii) Financing Entity Expenses, and (iv) Tax Liabilities (net of Tax Refunds), that were incurred by or on behalf of the Issuer during the previous calendar month ("**Monthly Funding Expenses**"). report to the Issuer any unresolved matters referred to in Section 3.4(j);

(b) On or before the **[10th]** Servicer Business Day following receipt by the IESO of the Monthly Funding Rebate Statement, the IESO shall, as required by the Regulations, deliver or cause to be delivered to the Issuer, by wire transfer in

~~immediately available funds, an amount in Canadian dollars equal to the Monthly Funding Expenses set forth in the applicable Monthly Funding Rebate Statement (the "**Funding Rebate**").~~

~~**3.5 Reporting Functions**~~

(d) ~~(a) Notification of Laws and Regulations. The Servicer shall~~ promptly notify the Issuer in writing of any Requirement of Law hereafter adopted or announced or the occurrence of any other event or circumstance **of which it becomes aware** that has a material adverse effect on the Servicer's ability to perform its duties and obligations under this Agreement~~.~~**; and**

(e) ~~(b) Other Information. Upon~~**upon** the reasonable request of the Issuer, the Indenture Trustee or any Rating Agency, ~~the Servicer shall~~ provide to the Issuer, the Indenture Trustee or such Rating Agency, as the case may be, any public financial information in respect of the Servicer, or any material information regarding the **Issuer** Investment Interest or the Regulatory Asset**,** to the extent it is reasonably available to the Servicer~~,~~ **and** as may be reasonably necessary and permitted by law**,** to enable the Issuer, the Indenture Trustee or the Rating Agencies to monitor the performance by the Servicer of its duties and obligations hereunder. ~~In addition, the Servicer shall provide the Issuer and the Indenture Trustee, within a reasonable time after written request therefor, any information available to the Servicer or reasonably obtainable by it that is necessary to calculate the Clean Energy Adjustment.~~

3.6 Remittances

(a) Absent the occurrence of a Daily Remittance Event, the Issuer Share of Servicer CEA **Receipts** received by the Servicer during a Billing Period and any interest earned thereon shall be remitted by the Servicer to the Collection Account no later than the Remittance Date immediately following such Billing Period.

(b) Following the occurrence of a Daily Remittance Event, the Issuer Share of all Servicer CEA **Receipts** on deposit in the IESO Segregated Account and any interest earned thereon shall be remitted by the Servicer to the Collection Account **on each Business Day.**

3.7 Limits to Obligations

Without in any way limiting the duties and obligations of the Servicer arising under the Act or the Regulations, the parties hereto agree the duties and obligations of the Servicer under this Agreement are limited as provided in this Section 3.7.

(a) **The Servicer is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from their customers or not remitted by Electricity Vendors to the Servicer.**

(b) **The Servicer is not responsible for enforcing the obligations of Specified Consumers or Electricity Vendors to invoice, collect or remit Clean Energy Adjustments or any other amounts.**

(c) **The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations including (i) the invoicing of** Specified Consumers in respect of the Clean Energy Adjustment and ancillary matters related thereto; (ii) **the collection from Specified Consumers of amounts due** in respect of such invoices and **the remittance of such payments to the Servicer; (iii) the accuracy of any information provided by the Electricity Vendors; and (iv) any reporting by the Electricity Vendors, including the reporting to the Servicer of the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and the Issuer Share of Electricity Vendor CEA Collections received by such Electricity Vendor.**

(d) **The Servicer is under no responsibility or obligation to the Issuer with respect to whether the Clean Energy Adjustments funds remitted by the Servicer to Issuer during any or all periods is sufficient to satisfy the Issuer's obligations.**

(e) **The Servicer is under no obligation to initiate or prosecute any legal action relating to the collection of the Issuer Investment Interest.**

3.8 ~~3.6~~ **Servicing and Maintenance Standards**

(a) The Servicer shall ~~monitor payments and impose collection policies on Electricity Vendors with respect to Electricity Vendor CEA Collections. On behalf of the Issuer, the Servicer shall: (a) manage, service, administer, collect and receive Servicer CEA Collections with reasonable care and in material compliance with each applicable Requirement of Law, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to the collection of other amounts from Electricity Vendors for its own account and, if applicable, for others; (b) follow standards, policies and procedures in performing its duties as Servicer that are customary for an electricity market operator and administrator that regularly performs settlement functions; (c) use all reasonable efforts, consistent with its customary servicing procedures, to receive and hold Servicer CEA Collections in trust for the benefit of the Issuer; (d) comply with each Requirement of Law, including all regulations and guidelines, applicable to and binding on it relating to its duties hereunder; and (e) provide all information to the Board as required by the Act and the Regulations. The Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of all or any portion of the Investment Asset and the Issuer Investment Interest, which may include, at the direction of the Issuer, the taking of legal action, at the Issuer's expense but subject to the priority~~

~~of payments set forth in **[Section 8.02(e)]** of the Indenture. In no event shall the Issuer Investment Interest be set off at any time by the IESO or any Permitted Successor thereof in connection with any default by such Person or otherwise.~~**discharge its duties, responsibilities and obligations hereunder with reasonable care and in material compliance the Requirements of Law, including the Act and the Regulations and shall follow standards, policies and procedures in performing its duties as Servicer hereunder that are customary for an electricity market operator and administrator that regularly performs settlement functions. In** furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with **reasonable care and in material compliance with applicable Requirement of Laws**, including the Act and the Regulations, using the same degree of care and diligence that the Servicer exercises with respect to **similar settlement activities on its own account.**

~~**3.7 Binding Effect of Servicing Obligations**~~

(b) **The** Servicer may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising under this Agreement.

(c) **Neither** the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment**.**

3.9 Appointments

The Servicer may at any time appoint any Person to **act as its agent to perform all or any portion of its obligations as Servicer hereunder; provided** however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided **further that the Servicer shall remain obligated and be liable for the performance of its obligations under this Agreement** without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were **performing such obligations**. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, **and the Issuer shall not** have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section **3.11.**

3.10 Term

The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under **Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off** (in each case, a "**Termination**

~~25847049.5~~**24817972.2**

Event"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.

3.11 Resignation of Servicer

The IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and the Rating Agencies at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and the Rating Agencies concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

3.12 Mergers

~~The obligations to continue to provide services and to receive and account for Servicer CEA Collections and related amounts will be binding upon the Servicer and any Permitted Successor so long as the Servicer CEA Collections have not been fully received and posted.~~ Any Person (a) into which the Servicer may be merged, converted or amalgamated and that is a Permitted Successor, (b) that may result from any merger, conversion or amalgamation to which the Servicer shall be a party and that is a Permitted Successor, (c) that may succeed to the properties and assets of the Servicer substantially as a whole and that is a Permitted Successor, or (d) that otherwise is a Permitted Successor, which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Servicer hereunder, shall be the successor to the Servicer under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 4.1 shall have been breached and no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, (ii) the Servicer shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger or succession and such agreement of assumption complies with this Section ~~3.7~~**3.12** and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (iii) the Servicer shall have given to the Issuer prior written notice of such transaction. When any Person that is a Permitted Successor acquires the properties and assets of the Servicer substantially as a whole or otherwise becomes the successor, by merger, conversion, consolidation, sale, transfer, lease or otherwise, to all or substantially all the assets of the Servicer in accordance with the terms of this Section ~~3.7~~**3.12**, then, upon satisfaction of all of the other conditions of this Section ~~3.7~~**3.12**, the preceding Servicer shall automatically and without further notice be released from all of its obligations hereunder (except for responsibilities for its actions prior to such release).

~~25847049.5~~[illegible]

~~**3.8 Limitation on Liability of Servicer and Others**~~

~~(a) Except as otherwise provided under this Agreement, including Section 6.1, neither the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment; provided, however, that this provision shall not protect the Servicer or any such Person against any liability that would otherwise be imposed by reason of negligence, recklessness or willful misconduct in the performance of duties or by reason of reckless disregard of obligations and duties under this Agreement. The Servicer and any director, officer, employee or agent of the Servicer may rely in good faith on the advice of counsel or on any document of any kind, *prima facie* properly executed and submitted by any Person, respecting any matters arising under this Agreement.~~

~~(b) Except as provided in this Agreement, the Servicer shall not be under any obligation to appear in, prosecute or defend any legal action relating to the Issuer Investment Interest that is not directly related to one of the Servicer's enumerated duties in this Agreement or related to its obligation to pay indemnification, and that in its reasonable opinion may cause it to incur any expense or liability; provided, however, that the Servicer will, at the direction of the Issuer, in respect of any Proceeding, undertake any action that is not specifically identified in this Agreement as a duty of the Servicer but that the Issuer reasonably determines is necessary or desirable in order to protect the rights and duties of the Issuer or the Indenture Trustee under this Agreement and the interests of Specified Creditors under the Indenture.~~

3.13 ~~3.9~~ The IESO Not to Resign as Servicer

Subject to the provisions of Section ~~3.7~~**3.12**, the IESO shall not resign from the obligations and duties imposed on it as Servicer under this Agreement except upon a determination that the performance of its duties under this Agreement shall no longer be permissible under applicable Requirements of Law. Notice of any such determination permitting the resignation of the IESO as Servicer shall be communicated to the Issuer, the Indenture Trustee and each Rating Agency at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Indenture Trustee and each Rating Agency concurrently with or promptly after such notice. No such resignation shall become effective until a Successor Servicer that is a Permitted Successor has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 7.2.

~~**3.10 Appointments**~~

3.14 IESO Regulatory Obligation to Pay Carrying Costs

(a) ~~Subject to Section 3.10(b), the~~ Servicer ~~may at any time appoint any Person to perform all or any portion of its obligations as Servicer hereunder; provided, however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided, further, that the Servicer shall remain obligated and be liable under this Agreement for the servicing and administering of the Issuer Investment Interest in accordance with the provisions hereof without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Investment Interest. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, and none of the Issuer, the Indenture Trustee, Specified Creditors or any other Person shall have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a resignation of the Servicer under Section 3.9.~~ **During the period beginning on December 1, 2017 and ending on July 31, 2021, the IESO shall, as required under the Regulations, pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs during the period beginning on June 1, 2017 and ending on July 31, 2021.**

(b) ~~The following matters shall be performed by the Electricity Vendors in accordance with the Act and shall not be considered an "appointment" for purposes of Section 3.10(a): (i) invoicing~~ Specified Consumers ~~in respect of the~~ Clean Energy Adjustment and ancillary matters related thereto; ~~(ii) collection from Specified Consumers of payments in respect of such invoices and remittance of such payments to the Servicer; and (iii) reporting to the Servicer the total CEA Consumer Invoice Amounts invoiced by such Electricity Vendor to its Specified Consumers in respect of the Clean Energy Adjustment, the total Electricity Vendor CEA Collections received by such Electricity Vendor and such other information the IESO may reasonably request for the purposes of determining the IESO Deferral or such further information as may be required. The Servicer shall not be responsible or liable for the performance by Electricity Vendors of their duties and responsibilities under the Act or the Regulations or in respect of the matters set out in this Section 3.10(b).~~ **On or before the 4th Business Day of each calendar month**, the Issuer shall prepare and deliver to the IESO a written statement substantially in the form of **Exhibit C (a "Monthly Carrying Costs Statement") setting out the amount of Carrying Costs in respect of the preceding calendar month ("Monthly Carrying Costs").**

~~**3.11 Effective Period and Termination**~~

(c) **On or before the 8th Business Day following receipt by the IESO of the Monthly Carrying Costs Statement, the IESO shall, as required under** the Regulations, deliver or cause to be delivered to the Issuer, by wire **transfer or electronic funds** transfer in immediately available funds, an amount in Canadian dollars equal to the Monthly **Carrying Costs set forth in the applicable Monthly Carrying Costs Statement.**

3.15 IESO Security for CEA Remittances

~~The Servicer's appointment as Servicer under this Agreement shall become effective as of the execution hereof and shall continue in full force and effect until the earlier of (a) the effective date of resignation of the Servicer in accordance with the provisions of this Agreement, (b) termination of all of the rights and obligations of the Servicer under Article 7, and (c) the date on which all Issuer Funding Obligations have been paid in full and all CEA Consumer Invoice Amounts have been received or written off (in each case, a "**Termination Event**"). The appointment of the Servicer as servicer under this Agreement shall be terminated effective as of the date of the Termination Event.~~**If required by the Issuer, the IESO shall provide to the Issuer, on or prior to the first day of the first Billing Period when amounts are invoiced to Specified Consumers in respect of Clean Energy Adjustments, a letter of credit in an amount equal to $■, or such other form of security as may be acceptable to the Issuer and the Indenture Trustee, as security for any failure of Electricity Vendors, following [July 31, 2021], to remit the Electricity Vendor CEA Collections.**

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE IESO

4.1 Representations and Warranties

Subject to Section 4.3, the IESO makes the following representations and warranties as of the date hereof and as of each applicable Closing Date, and the IESO acknowledges that the Issuer and the Indenture Trustee will rely thereon in paying the Purchase Price related to Transfers of ~~specified portions~~**Specified Portions** of the Regulatory Asset, and the Issuer has relied thereon in entering into this Agreement relating to the servicing of the corresponding Investment Interests.

(a) Organization and Good Standing. The IESO is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite **corporate** power and authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it~~, and to execute, deliver and carry out the terms of this Agreement, including, for greater certainty, acting as Servicer in accordance with this Agreement~~.

(b) Due Qualification. The IESO has obtained all necessary licences and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including acting as Servicer under this Agreement) shall require such licences or approvals, except where the failure to so qualify or obtain such licences and approvals would not be reasonably likely to have a material adverse effect on the IESO's business, operations, assets, revenues or properties, the Regulatory Asset~~,~~ **or** the servicing of related Investment Interests~~, the Issuer or the repayment when due of the Funding Obligations~~.

(c) Power and Authority. The IESO has the requisite **corporate** power and authority to execute and deliver this Agreement and to carry out its terms. The IESO has full corporate power and authority to hold the Regulatory Asset and to Transfer ~~specified portions~~**Specified Portions** of the Regulatory Asset to the Issuer and the IESO has duly authorized such Transfer to the Issuer by all necessary **corporate** action. The execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary **corporate** action on the part of the IESO under all applicable laws.

(d) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the IESO, enforceable against the IESO in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof by the IESO do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time, or both) a default under, the IESO's by-laws, or any indenture, or other material agreement or instrument to which the IESO is a party or by which it is bound, result in the creation or imposition of any Lien upon any of the IESO's properties pursuant to the terms of any such indenture, agreement or other instrument or violate any existing law or any order, rule or regulation applicable to the IESO issued by any Governmental Authority having jurisdiction over the IESO or its properties.

(f) No Proceedings. ~~There are no Proceedings or, to~~**To** the IESO's knowledge, ~~investigations~~**there are no Proceedings** pending or ~~Proceedings~~ threatened~~, before any Governmental Authority having jurisdiction over~~ **against** the IESO or its properties: (a) asserting the invalidity of this Agreement or the Act, (b) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Act, or (c) seeking a determination or ruling that could reasonably be expected to materially and adversely affect the performance by the IESO of its obligations under, or the validity or enforceability of, this Agreement or the Act.

(g) Approvals. No approvals, authorizations, consents, orders or other actions or filings with any Governmental Authority are required for the IESO to execute, deliver and perform its obligations under this Agreement except those which have previously been obtained or made.

(h) Information.~~(i)~~ At the date hereof and as of each applicable Closing Date, **except in respect of information provided by a third party,** all written information, as amended or supplemented from time to time, provided by the Transferor to the Issuer with respect to the Regulatory Asset is true and correct in all material respects and does not omit any material facts.

~~(ii) Each report and certificate delivered in connection with any filing made or information provided to the Board by the IESO in connection with the Act, including on behalf of the Issuer with respect to Clean Energy Adjustments, will constitute a representation and warranty by the IESO that each such report or certificate, as the case may be, is true and correct in all material respects; provided, however, that, to the extent any such report or certificate is based in part upon or contains assumptions, forecasts or other predictions of future events, the representation and warranty of the IESO with respect thereto will be limited to the representation and warranty that such assumptions, forecasts or other predictions of future events are reasonable based upon historical performance (and facts known to the IESO on the date such report or certificate is delivered).~~

(i) The Transfer. ~~On~~**After the completion of the Transfer on** the applicable Closing Date, the ~~specified portion of the Regulatory Asset as set forth in the applicable Transfer Notice shall be validly Transferred to the Issuer and the~~ IESO will have no right, title or interest in the ~~related~~ Investment Interest **related to the Specified Portion of the Regulatory Assets** as set forth in the applicable Transfer Notice and the related Investment Interest shall not form part of the estate of the IESO in the event of an Insolvency Event in respect of the IESO.

(j) No Transfer. Except ~~pursuant to any Co-Owner Agreement, no portion of~~**for Permitted Transfers,** the ~~Regulatory Asset~~**IESO** has ~~been~~**not** sold, transferred, assigned~~,~~ **or otherwise conveyed any interest in the Regulatory Asset to any Person.**

(k) Liens. IESO has not pledged or otherwise ~~conveyed by the IESO~~**granted a Lien** to any Person ~~other than the Issuer or the Indenture Trustee, and,~~**in the Regulatory Asset and** to the IESO's knowledge (after due inquiry), ~~no security agreement,~~**there is no registered** financing statement ~~or equivalent security or lien instrument~~ listing the IESO as debtor covering ~~all or a portion of the Regulatory Asset (or the corresponding Investment Interest upon the Transfer thereof) is on file or of record in any jurisdiction, except such as may have been filed or recorded in favour of the Issuer or the Indenture Trustee in connection with the Program Agreements.~~(k) ~~Title. The IESO is the sole owner of the specified portion of the Regulatory Asset that is to be Transferred to the Issuer on~~

~~the applicable Closing Date, free and clear of all Liens~~**or extending to the Regulatory Asset**.

(l) Tax Liens. ~~After due inquiry, the~~**The** IESO **(i)** is not aware**, after due inquiry,** of any judgment or tax lien filing against the IESO**, and (ii) is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada)**.

(m) Solvency. On the date hereof and after giving effect to each Transfer, the IESO:

~~(i) is solvent and expects to remain solvent;~~

(i) ~~(ii)~~ reasonably believes that it will be able to pay its debts as they come due; and

(ii) ~~(iii)~~ is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

(n) No Court Order. There is no order by any court that seeks to enjoin the performance of any obligations of the IESO under the Act or this Agreement.

4.2 Survival

The representations and warranties set forth in Section 4.1 shall survive the execution and delivery of this Agreement, each Transfer of an Investment Interest to the Issuer and the pledge thereof to the Indenture Trustee pursuant to the Indenture and may not be waived by any party hereto except pursuant to a written agreement executed in accordance with Section 8.1 and as to which the Rating Agency Condition has been satisfied.

4.3 Limitations on Representations and Warranties

Notwithstanding anything in this Agreement to the contrary, the IESO makes no representation or warranty **with respect to the collectability of the Issuer Share of Servicer CEA Receipts or** that the Issuer~~'s~~ Share of Servicer CEA ~~Collections will~~**Receipts** be sufficient to satisfy ~~in full~~ the Issuer's Funding Obligations.

ARTICLE 5
COVENANTS OF THE IESO

5.1 Existence

~~Subject to Section 3.9, so~~**So** long as any **Issuer** Funding Obligations are outstanding, the IESO (a) will keep in full force and effect its existence and remain validly

existing under the laws of the Province of Ontario, and (b) will obtain and preserve its qualifications to do business in each jurisdiction in which such qualification is or will be necessary to protect the validity and enforceability of this Agreement and each other instrument or agreement to which the IESO is a party necessary for the proper administration of this Agreement and the transactions contemplated hereby.

5.2 No Transfer or Liens

Except for ~~(a) the~~ Transfers under this Agreement to the Issuer or ~~any Lien for the benefit of the Specified Creditors or the Indenture Trustee, and (b) following the Co-Owner Implementation Date, Transfers to other Financing Entities who enter into a Co-Owner Agreement with the Issuer and Liens granted in connection therewith to Persons advancing Funding Obligations to such other Financing Entities, the IESO will not sell, pledge, assign or transfer to any other Person, or~~ **Permitted Transfers, the IESO will not Transfer the Regulatory Asset or any portion thereof to any person. The IESO will not** grant, create, incur, assume or suffer to exist any Lien on~~, any portion of~~ the Regulatory Asset~~, whether existing as of the applicable Closing Date or thereafter created, or any interest therein~~ **or any portion thereof**. The IESO will not at any time assert any Lien against or with respect to the Issuer Investment Interest, and will defend the right, title and interest of the Issuer and of the Indenture Trustee, on behalf of the Specified Creditors, in, to and under the Issuer Investment Interest against all claims of third parties claiming through or under the Transferor.

5.3 Notice of Liens

The IESO shall notify the Issuer and the Indenture Trustee promptly after becoming aware of any Lien on any portion of the Regulatory Asset~~, other than the Transfers hereunder and any Lien pursuant to the Program Agreements~~.

5.4 Compliance with Law

The IESO will comply with all Requirements of Law applicable to, and binding upon, the IESO or relating to the Regulatory Asset~~,~~ the Investment Asset or Investment Interests, except to the extent that failure to so comply would not materially adversely affect the Issuer's~~,~~ **or** the Indenture Trustee's ~~or the Specified Creditors'~~ interests in the Issuer Investment Interest~~ under any of the Program Agreements~~, the value of the Issuer Investment Interest, the timing or amount of Clean Energy Adjustments payable by Specified Consumers or the IESO's performance of its obligations under this Agreement; provided, however, that the foregoing is not intended to, and shall not, impose any liability on the IESO for non-compliance with any Requirement of Law that the IESO is contesting in good faith in accordance with its customary standards and procedures.

5.5 Covenants Related to the Investment Interest

(a) So long as any Issuer Funding Obligations are outstanding, the IESO shall treat the Issuer Investment Interest as the Issuer's property for all purposes.

(b) Except for passive investments held for employee benefit purposes, the IESO shall not at any time become a holder of Issuer Funding Obligations ~~other than Funding Rebates~~.

(c) The IESO shall disclose the effects of all transactions between the IESO and the Issuer in accordance with generally accepted accounting principles (for government entities).

~~(d) The IESO agrees that upon completion of a Transfer, the IESO shall reduce the balance in the Fair Hydro Variance Account by the Purchase Price and will adjust the Regulatory Asset accordingly.~~

(d) ~~(e)~~ (i) ~~in~~**In** all Proceedings relating directly or indirectly to the Issuer Investment Interest, the IESO shall affirmatively certify and confirm that it has Transferred all of its rights and interests in and to the ~~specified portion~~**Specified Portion** of the Regulatory Asset giving rise to the Issuer Investment Interest, (ii) the IESO shall not make any statement or reference in respect of the Issuer Investment Interest that is inconsistent with the ownership interest of the Issuer, **and** (iii) the IESO shall not take any action in respect of the Issuer Investment Interest except solely in its capacity as the Servicer thereof pursuant to this Agreement~~, and (iv) the IESO shall not sell any portion of the Regulatory Asset pursuant to the Act to any other Person unless a Co-Owner Agreement has been entered into and the Rating Agency Condition has been satisfied with respect thereto~~.

5.6 Non-petition Covenants

Notwithstanding any prior termination of this Agreement or the Indenture, the IESO shall not, prior to the date that is one year plus one day after termination of the Indenture and the payment in full of all Issuer Funding Obligations and any other amounts owed under the Indenture, petition or otherwise invoke the process of any Governmental Authority for the purpose of commencing or sustaining a Proceeding against the Issuer under any Canadian bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official or any substantial part of the property of the Issuer.

5.7 Disclosure

The IESO shall provide ~~all~~**such non-confidential** information regarding ~~the~~ IESO, the ~~IESO Deferral, the~~ Regulatory Asset ~~or~~**and** the services provided by the Servicer hereunder (collectively, the "**IESO Disclosure**") as may be reasonably requested by the Issuer for

inclusion in any offering document of the Issuer from time to time, including but not limited to offering memoranda, prospectuses, registration statements and continuous disclosure documents and represents that**, except in respect information provided by a third party,** all such information is, **as** at the respective dates of delivery to the Issuer, true and correct in all material respects, contains no misrepresentation and constitutes full, true and plain disclosure of all material facts relating to the IESO Disclosure.

5.8 Further Assurances

Upon the request of the Issuer, the IESO shall execute and deliver such further instruments and do such further acts as may reasonably be necessary to carry out the provisions and purposes of this Agreement.

~~5.9 Co-Owner Agreements~~

~~The IESO shall not continue as or become a party to any purchase and sale agreement or similar arrangement (other than this Agreement) under which it sells all or any portion of the Regulatory Asset unless (i) the Rating Agency Condition shall have been satisfied, (ii) the Indenture Trustee, the Transferor and the other parties to such additional arrangement shall have entered into a Co-Owner Agreement in connection therewith, and (iii) the terms of the documentation evidencing such purchase and sale arrangement or similar arrangement shall expressly exclude the Issuer Investment Interest (including the Issuer Share of any Servicer CEA Collections) from any receivables, rights or other assets pledged or sold under such arrangement and unless the purchaser under such arrangement is a Financing Entity.~~

5.9 ~~5.10~~ Access to Certain Records and Information Regarding Investment Interest

The IESO shall provide to the Issuer and the Indenture Trustee access to all records relating to the IESO Deferral, the Fair Hydro Variance Account, the IESO Segregated Account and Servicer CEA ~~Collections~~**Receipts**, as is reasonably required for the Issuer and the Indenture Trustee to confirm compliance by the IESO with its obligations under this Agreement~~ and any other Program Agreements to which the IESO is a party~~. Access shall be afforded without charge, but only upon reasonable request and during normal business hours at the offices of the IESO. Nothing in this Section ~~5.10~~**5.9** shall affect the obligation of the IESO to comply with any Requirement of Law prohibiting disclosure of information, and the failure of the IESO to provide access to such information as a result of such obligation shall not constitute a breach of this Section ~~5.10~~**5.9**.

5.10 ~~5.11~~ Maintenance of Operations

Subject to Section ~~3.7~~**3.12**, the IESO agrees to continue, unless prevented by circumstances beyond its control, to operate as the electricity system operator in the Province of Ontario ~~in order to provide service~~ so long as it is acting as the Servicer under this Agreement.

ARTICLE 6
IESO INDEMNITIES

6.1 Liability of the IESO; Indemnities

(a) The IESO shall indemnify the Issuer, the Indenture Trustee (for itself and for the benefit of the Specified Creditors), the Manager~~, the Administrative Agent~~ and each of their respective trustees, officers, directors, employees and agents (each, an "**Indemnified Party**"), for, and defend and hold harmless each such Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "**Indemnified Losses**") imposed on, incurred by or asserted against any such Person as a result of (i) the failure of the IESO to perform its covenants and other obligations under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; **and** (ii) the IESO's breach of any of its representations or warranties under this Agreement, any Co-Owner Agreement and any other Program Agreement to which the IESO is a party; and ~~(iii) any litigation and related expenses relating to the IESO's status and obligations as Servicer (other than any Proceeding the IESO is required to institute under this Agreement)~~, except to the extent of Indemnified Losses resulting from the willful misconduct, bad faith or gross negligence of such Person seeking indemnification hereunder; provided that, in each case, the IESO shall not be required to indemnify an Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any Proceeding or investigation without the written consent of the IESO, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Party of notice ~~(or, in the case of the Indenture Trustee, receipt of notice by a Responsible Officer only)~~ of the commencement of any Proceeding or investigation, such Indemnified Party shall, if a claim in respect thereof is to be made against the IESO under this Section 6.1(a), notify the IESO in writing of the commencement thereof. Failure by an Indemnified Party to so notify the IESO shall relieve the IESO from the obligation to indemnify and hold harmless such Indemnified Party under this Section 6.1(a) only to the extent that the IESO suffers actual prejudice as a result of such failure. With respect to any Proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.1(a), the IESO shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Party, the defence of any such Proceeding or investigation (in which case the IESO shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Party except as set forth below); provided, that the Indemnified Party shall have the right to participate in such Proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the IESO's election to assume the defence of any Proceeding or investigation, the Indemnified Party

shall have the right to employ separate counsel, and the IESO shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the defendants in any such action include both the Indemnified Party and the IESO and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it that are different from or additional to those available to the IESO, (ii) the IESO shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, (iii) the IESO ~~shall authorize~~**authorizes** the Indemnified Party to employ separate counsel at the expense of the IESO, or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the IESO shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Parties other than one local counsel, if appropriate. The IESO will not, without the prior written consent of the Indemnified Party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or Proceeding in respect of which indemnification may be sought under this Section 6.1(a) (whether or not the Indemnified Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising out of such claim or Proceeding.

(b) For purposes of Section 6.1(a), in the event of the termination of the rights and obligations of the IESO (or any successor thereto pursuant to Section ~~3.7~~**3.12**) as Servicer pursuant to Section 7.1, or a resignation by such Servicer pursuant to **Section 3.11 of** this Agreement, the IESO shall be deemed to be the Servicer pending appointment of a Successor Servicer pursuant to Section 7.2.

(c) Indemnification under Section 6.1(a) shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable legal fees and expenses), except as otherwise expressly provided in this Agreement.

(d) Indemnification under this Section 6.1 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Act and shall survive the resignation or removal of the Indenture Trustee or the termination of this Agreement and will rank *pari passu* with other general, unsecured obligations of the IESO. ~~Other than provided in the preceding sentence, the~~

(e) **The** IESO shall not **be required to** indemnify any party under this Section 6.1 for any **losses resulting from** changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision.

~~25847049.5~~

(f) ~~(e)~~ Except to the extent expressly provided in this Agreement (including the payment of the Purchase Price), the IESO hereby releases and discharges the Issuer ~~and the Indenture Trustee,~~ and each of ~~their respective~~**its** trustees, officers, directors and agents (collectively, the "**Released Parties**"), from any and all actions, claims and demands whatsoever, whenever arising, which the IESO, in its capacity as Servicer or otherwise, shall or may have against any such Person relating to the Investment Interest or the IESO's activities with respect thereto, other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

ARTICLE 7
SERVICER DEFAULT

7.1 Servicer Default

If any one or more of the following events (each, a "**Servicer Default**") shall occur and be continuing:

(a) any failure by the Servicer to remit to the Collection Account ~~on behalf of the Issuer~~ any required remittance that shall continue unremedied for a period of **[two/three] [NTD: Rating Agencies will expect 2-3 days]** Business Days after written notice of such failure is received by the Servicer from the Issuer ~~(with a copy to the Indenture Trustee)~~ or the Indenture Trustee or after discovery of such failure by a Responsible Officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, duly to observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in this Agreement (other than as provided in Section 7.1(a)) or any other Program Agreement to which it is a party, which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer ~~(with a copy to the Indenture Trustee)~~ or to the Servicer or the IESO, as the case may be, by the Indenture Trustee or (B) such failure is discovered by a Responsible Officer of the Servicer;

(c) any representation or warranty made by the Servicer in this Agreement, any other Program Agreement or in any Monthly Report, shall prove to have been incorrect when made, which has a material adverse effect on the Issuer, the Indenture Trustee or any other Specified Creditor and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the

same to be remedied, shall have been delivered to the Servicer (with a copy to the Indenture Trustee) by the Issuer or the Indenture Trustee or (ii) such failure is discovered by a Responsible Officer of the Servicer;

(d) an Insolvency Event occurs with respect to the Servicer or the IESO; **or**

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs; ~~or~~

~~(f) the termination or withdrawal of the "Servicing Guarantee" under the Provincial Protection and Assurances Agreement. **[NTD: Subject to finalization of the Provincial Protection and Assurances Agreement.]**~~

then, and in each and every case, the Indenture Trustee shall, upon the instruction of the Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, subject to the terms of any Co-Owner Agreement, by notice then given in writing to the Servicer (and to the Indenture Trustee if given by the Specified Creditors) (a "**Termination Notice**"), terminate all the rights and obligations (other than the obligations set forth in Section 6.1 and the obligation under Section 7.2 to continue performing its functions as Servicer until a Successor Servicer is appointed) of the Servicer under this Agreement and under the Co-Owner Agreement. In addition, upon a Servicer Default described in Section 7.1(a), the Specified Creditors and the Indenture Trustee (or any of their representatives) shall be entitled to apply to a court of appropriate jurisdiction for an order for sequestration and payment of revenues arising with respect to the ~~Investment Interest.~~**Issuer.** On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Agreement, whether with respect to the Investment Interest, the Clean Energy Adjustments or otherwise, shall, without further action, pass to and be vested in such Successor Servicer as may be appointed under Section 7.2; and, without limitation, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of all documents and records related to the Regulatory Asset, ~~the IESO Deferral,~~ the Fair Hydro Variance Account and related documents or records, or otherwise (the "**Records**"). The predecessor Servicer shall cooperate with the Successor Servicer, the Issuer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the Successor Servicer for administration by it of all Records and all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Investment Interest or the Clean Energy Adjustment. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Records to the Successor Servicer. If a Successor Servicer has been appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable legal fees and expenses) incurred in connection with transferring the Records to the Successor Servicer and amending this Agreement and any Co-Owner Agreement to reflect such succession as Servicer pursuant to this Section 7.1 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. Termination of the IESO as Servicer shall

not terminate the IESO's rights or obligations under this Agreement (except rights thereunder deriving from its rights as the Servicer hereunder).

7.2 Appointment of Successor Servicer

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 7.1 or the Servicer's resignation or removal in accordance with the terms of this Agreement, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, until a Successor Servicer shall have assumed in writing the obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Indenture Trustee may, and at the written direction and with the consent of the Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture** shall, but subject to the provisions of the applicable Co-Owner Agreement, appoint a Successor Servicer with the Issuer's prior written consent thereto (which consent shall not be unreasonably withheld), and the Successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuer. If, within 30 days after the delivery of the Termination Notice, a Successor Servicer shall not have been appointed, the Indenture Trustee may, at the direction of Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, petition a court of competent jurisdiction to appoint a Successor Servicer under this Agreement. A Person shall qualify as a Successor Servicer only if (i) such Person is permitted under the Act to perform the duties of the Servicer, (ii) the Rating Agency Condition shall have been satisfied with respect to such appointment, (iii) such Person enters into a master transfer and servicing agreement with the Issuer having substantially the same provisions as this Agreement and (iv) such Person agrees to perform the obligations of the Servicer under any Co-Owner Agreement. In no event shall the Indenture Trustee be liable for its appointment of a Successor Servicer. The Indenture Trustee's expenses incurred under this Section 7.2(a) shall be at the sole expense of the Issuer and payable from the Collection Account as provided in **[Section 8.02]** of the Indenture.

(b) Upon appointment, the Successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter placed on the predecessor Servicer and shall be entitled to all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

7.3 Waiver of Past Defaults

The Indenture Trustee, with the written consent of Specified Creditors ~~evidencing a majority of the Outstanding Amount of the Issuer's Funding Obligations~~**as provided for under the Trust Indenture**, may waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to the Collection Account in accordance with this Agreement. Upon any such waiver of a past

default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

7.4 Notice of Servicer Default

The Servicer shall deliver to the Issuer, the Manager, the Indenture Trustee and the Rating Agencies promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice of any event that, with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 7.1.

7.5 Cooperation with Successor Servicer

The Servicer covenants and agrees with the Issuer that it will, on an ongoing basis, cooperate with the Successor Servicer and provide whatever information is, and take whatever actions are, reasonably necessary to assist the Successor Servicer in performing its obligations hereunder.

ARTICLE 8
MISCELLANEOUS

8.1 Amendment

~~(a)~~ This Agreement may be amended in writing by the IESO ~~and~~, the Issuer ~~with (i) the prior written consent of~~ **and** the Indenture Trustee~~, and (ii) the~~ **and with** satisfaction of the Rating Agency Condition. Promptly after the execution of any such amendment ~~or consent~~, the Issuer shall furnish copies of such amendment ~~or consent~~ to each of the Rating Agencies.

8.2 Withholding Rights

The parties shall be entitled to deduct and withholding from amounts payable under this Agreement such amounts as each is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

8.3 No Partnership

Each party expressly disclaims any intention to create a partnership, and none of the Issuer, the **IESO or the Indenture Trustee will be deemed to be carrying on business in partnership by reason of its execution and delivery of this Agreement or the exercise or performance by it of its respective rights and obligations hereunder.**

~~(b) Prior to the execution of any amendment to this Agreement, the Issuer and the Indenture Trustee shall be entitled to receive and rely upon an Opinion of Counsel, which counsel may be an employee of or counsel to the Issuer or the IESO and which shall be reasonably satisfactory to the Indenture Trustee, or, in the Indenture Trustee's sole judgment, external counsel of the IESO stating that the execution of such amendment is authorized and permitted by this Agreement and that all conditions precedent provided for in this Agreement relating to such amendment have been complied with. The Issuer and the Indenture Trustee may, but shall not be obligated to, enter into any such amendment that affects their own rights, duties, indemnities or immunities under this Agreement or otherwise.~~

8.4 ~~8.2~~ Notices

Any notice, report or other communication given hereunder shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (b) upon receipt when sent by an overnight courier, (c) on the date personally delivered to an authorized officer of the party to which sent, or (d) on the date transmitted by electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the IESO, in its capacity as Transferor or Servicer:

Independent Electricity System Operator
~~[Address]~~**120 Adelaide Street West, Suite 1600**
Toronto, Ontario M5H 1T1

Attention: ~~■~~
Chief Financial Officer, General Counsel and Associate General Counsel
Email: ■

(b) in the case of the Issuer or the Manager (on behalf of the Issuer):

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

(c) in the case of the Indenture Trustee:

■
[Address]

Attention: ■
Email: ■

Each party hereto may, by notice given in accordance herewith to the other party or parties hereto, designate any further or different address to which subsequent notices, reports and other communications shall be sent. Any notice, report or communication required to be given by the IESO hereunder to a Rating Agency shall be given to the address provided by the Issuer from time to time.

8.5 ~~8.3~~ Assignment

Notwithstanding anything to the contrary contained herein, except as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the IESO.

8.6 ~~8.4~~ Limitations on Rights of Third Parties

The provisions of this Agreement are solely for the benefit of the IESO, the Issuer and, to the extent provided herein or in the other Program Agreements, the Indenture Trustee (for its own benefit and for the benefit of the Specified Creditors) and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Issuer Investment Interest or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

8.7 ~~8.5~~ Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.8 ~~8.6~~ Separate Counterparts; Electronic Delivery

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by a party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

8.9 ~~8.7~~ Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party to this Agreement attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

8.10 ~~8.8 Assignment~~Grant of Security Interest to Indenture Trustee

The IESO hereby acknowledges and consents to ~~any mortgage, pledge, assignment and~~the grant of a ~~security interest~~Lien by the Issuer to the Indenture Trustee pursuant to the Indenture for the benefit of the Specified Creditors ~~of~~against all right, title and interest of the Issuer in, to and under this Agreement, the Investment Interest and the proceeds thereof and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Specified Creditors. ~~In no event shall the Indenture Trustee have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder or in any of the certificates delivered pursuant hereto, as to all of which any recourse shall be had solely to the assets of the Issuer subject to the availability of funds therefor under Section [8.02] of the Indenture.~~

8.11 ~~8.9~~ Limitation of Liability of Indenture Trustee

It is expressly understood and agreed by the parties hereto that this Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee on behalf of the Specified Creditors, in the exercise of the powers and authority conferred and vested in it. The Indenture Trustee in acting hereunder is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

8.12 ~~8.10~~ Limitation of Liability of the Issuer Trustee

(a) It is expressly understood and agreed by the parties hereto that the Issuer Trustee is acting solely in its capacity as trustee of the Issuer, and not in any other capacity. The Issuer solely shall be responsible for the performance of the Issuer's obligations hereunder and the assets of the Issuer solely shall be subject to levy or execution in satisfaction of such obligations.

(b) The Issuer Trustee will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's

activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by the Issuer Trustee to be taken, or the Issuer Trustee's failure to compel in any way any former or acting Issuer Trustee to redress any breach of trust with respect to the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, provided that the foregoing limitation will not apply in respect of action or failure to act arising from or in connection with dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee, in doing anything or permitting anything to be done in respect of the execution of the duties of its office or in respect of the Issuer's property or the Issuer's activities, is, and will be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section ~~8.10~~**8.12**, the Issuer Trustee will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the Issuer Trustee owned in its personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

(c) The holders of the units of the Issuer will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Issuer's property or the Issuer's activities, to the Issuer's beneficiaries or to any other Person, for any action taken or permitted by it to be taken. The holders of the units of the Issuer will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Issuer's property or the Issuer's activities and resort will be had solely to the Issuer's property for the payment or performance thereof. No property or assets of the holders of the units of the Issuer owned in their personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Agreement.

8.13 ~~**8.11**~~ **Waivers**

Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof; provided, however, that no such waiver delivered by the Issuer shall be effective unless the Indenture Trustee has given its prior written consent thereto. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party, with prompt written notice of any such waiver to be provided to the Rating Agencies. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor

in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

~~**8.12 Indenture Trustee Actions**~~

~~In acting hereunder, the Indenture Trustee shall have the rights, protections and immunities granted to it under the Indenture.~~

~~**8.13 Issuer Trustee**~~

~~In acting hereunder, the Issuer Trustee shall have the rights, protections and immunities granted to it under the Declaration of Trust.~~

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By:
Name:
Title:

By:
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor and Servicer

By:
Name:
Title:

By:
Name:
Title:

~~**ACKNOWLEDGED AND ACCEPTED:**~~

[INDENTURE TRUSTEE]
as Indenture Trustee

By:
Name:
Title:

By:
Name:
Title:

EXHIBIT A

FORM OF TRANSFER NOTICE

See attached

TRANSFER NOTICE

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

This Transfer Notice is delivered to you pursuant to Section 2.1 of a master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted by~~ **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Master Transfer and Servicing Agreement.

The Transferor hereby gives notice to the Issuer of its ~~desire~~**offer** to transfer to the Issuer on the Closing Date set out below, on a fully serviced basis, the ~~specified portion~~**Specified Portion** of the Regulatory Asset set out below, all in accordance with the terms and conditions of the Master Transfer and Servicing Agreement. In consideration for (i) the Transferor's Transfer to the Issuer of the ~~specified portion~~**Specified Portion** of the Regulatory Asset set out below, on a fully serviced basis, ~~**[and (ii) the Transferor's agreement to pay to the Issuer all (a) Funding Costs, (b) Finance Reserve Deposits, (c) Financing Entity Expenses, and (d) Tax Liabilities (net of Tax Refunds) that are incurred by the Issuer in connection with such Transfer,]**~~[4] the Issuer shall deliver or cause to be delivered to the Transferor on the Closing Date set out below, by wire transfer in immediately available funds, an amount in Canadian dollars equal to the Purchase Price set out below.

Upon receipt by the Transferor of the Purchase Price on the Closing Date, (i) the Transferor shall reduce the balance of the Fair Hydro Variance Account by an amount equal to the Purchase Price**,** and the Regulatory Asset shall be adjusted accordingly; and (ii) the corresponding Investment Interest shall immediately vest in the Issuer, free and clear of any

[4] ~~Funding Rebate language to be included in Transfer Notice only when Clean Energy Adjustment is not being charged.~~

adverse claim, and shall constitute a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest.

Specified portion of Regulatory Asset: $■

Purchase Price: $■

Closing Date: ■

The Transferor hereby represents, warrants and confirms that:

(i) each of the representations and warranties on the part of the Transferor contained in the Master Transfer and Servicing Agreement are true and correct in all respects on the date hereof as if made on the date hereof;

(ii) the Transferor is not in breach of any of its covenants in the Master Transfer and Servicing Agreement; and

(iii) as of the date hereof, each condition precedent that must be satisfied by the Transferor under Section 2.2 of the Master Transfer and Servicing Agreement is capable of being satisfied prior to Closing Date.

The closing shall take place at ■ (Toronto time) on the Closing Date referred to above at the offices of ■, except as may be otherwise mutually agreed. **The Purchase Price shall be paid on that date by bank wire transfer to [insert IESO bank account details].**

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

The undersigned hereby accepts the foregoing offer.

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Transferor

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT B

FORM OF MONTHLY REPORT

See Attached

MONTHLY REPORT

[NTD: Subject to continuing review by the Dealers and ~~Counsel to confirm form of Monthly IESO Report~~their counsel.]

TO: **[FINANCING ENTITY]**
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted~~ by **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly Report have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ~~3.3~~■ of the Master Transfer and Servicing Agreement the Servicer hereby certifies in respect of the Billing Period corresponding to the calendar month of ■, ■, as follows:

	Item	**Amount**
(A)	Servicer CEA ~~Collections~~**Receipts**:	$■
(B)	Balance of Collection Account:	$■

[NTD: Any additional information considered necessary for OPG/IESO to be included.]

DATED this ■ day of ■, 20■.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT C

FORM OF MONTHLY ~~FUNDING REBATE~~CARRYING COSTS STATEMENT

See Attached

MONTHLY ~~FUNDING REBATE~~CARRYING COSTS STATEMENT

TO: INDEPENDENT ELECTRICITY SYSTEM OPERATOR
[Address]

Attention: ■
Email: ■

Reference is made to the master transfer and servicing agreement made as of ■, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") between **[FINANCING ENTITY]**, a trust formed under the laws of the Province of Ontario (the "**Issuer**"), ~~and~~ the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** ("**Transferor**" in its capacity as transferor, "**Servicer**", in its capacity as servicer, and "**IESO**" in its capacity as both Transferor and Servicer), a statutory corporation without share capital amalgamated under the laws of the Province of Ontario, and ~~acknowledged and accepted by~~ **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee (the "**Indenture Trustee**"). Capitalized terms used but not defined in this Monthly ~~Funding Rebate~~**Carrying Costs** Statement have their respective meanings as set forth in the Master Transfer and Servicing Agreement.

Pursuant to Section ~~3.4(a)~~**3.14** of the Master Transfer and Servicing Agreement, the undersigned hereby certifies that the Monthly ~~Funding Expenses incurred by the Issuer~~**Carrying Costs** in respect of the calendar month of ■, ■ are as follows:

~~Monthly Funding Expense~~	**Amount**
Funding ~~Costs~~**costs**:	$■
~~Finance Reserve Deposits~~**Derivative payments to be made**:	$■
Amounts deposited into accounts other than capital accounts:	**$■**
Financing ~~Entity Expenses~~**entity expenses**:	$■
Tax ~~Liabilities (net of Tax Refunds)~~**liabilities**:	$■
~~Total Monthly Funding Expense~~**Subtotal**:	$■
LESS:	
Amounts withdrawn from accounts other than capital accounts:	
Derivative payments to be received:	
Tax refunds:	**$■**
Subtotal:	**$■**
Monthly Carrying Costs	**$■**

~~**[NTD: Any additional information considered necessary for OPG/IESO to be included.]**~~

In accordance with Section ~~3.4~~**3.14**(b) of the Master Transfer and Servicing Agreement, the undersigned hereby directs you to deliver to the Issuer, by wire transfer to the account set forth below, an amount in Canadian dollars equal to the ~~Total~~ Monthly ~~Funding Expense~~**Carrying Costs** set forth above on or before ■, 20■, and this shall be your good and valid authority for so doing.

[NTD: Wire transfer instructions to be provided by OPG.]

DATED this ■ day of ■, 20■.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Document comparison by Workshare Compare on October-25-17 12:04:10 PM

Input:	
Document 1 ID	file://C:\Users\rramchan\Desktop\Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version).docx
Description	Fair Hydro - Master Transfer Servicing Agreement (Alternative Funding Rebate Regulation Version)
Document 2 ID	interwovenSite://INVENTORYS1/TorysAtWork/24367979/3
Description	#24367979v3<TorysAtWork> - Fair Hydro - MTSA (Osler Oct 20 Draft)
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	437
Deletions	421
Moved from	29
Moved to	29
Style change	0
Format changed	0

Total changes	916

SECURITY AGREEMENT

THIS AGREEMENT made as of the ____ day of December, 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital established by the *Electricity Act, 1998*, SO, 1998,

(hereinafter referred to as the "**Grantor**"),

IN FAVOUR OF: -

[FINANCING ENTITY], a trust formed under the laws of the Province of Ontario,

(hereinafter referred to as the "**Secured Party**"),

ACKNOWLEDGED AND ACCEPTED BY:

[INDENTURE TRUSTEE], a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee,

(hereinafter referred to as the "**Indenture Trustee**"),

WHEREAS under Regulation 206/17 made under the *Ontario Fair Hydro Plan Act, 2017* (the "**Regulation**"), the Grantor is required to pay and remit to the Secured Party any amounts charged to the Grantor by the Secured Party in respect of Carrying Costs of the Secured Party during the period beginning on April 1, 2017 and ending on June 30, 2021 (the "**Statutory Obligation**");

AND WHEREAS the Grantor (collectively referred to as the "**Parties**") has agreed to enter into a security agreement in favour of the Secured Party as security for, inter alia, the performance of the Statutory Obligation;

AND WHEREAS this Agreement has been assigned by the Secured Party, by way of security, to the Indenture Trustee and the Indenture Trustee wishes to acknowledge and accept the terms of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that, for and in consideration of the premises, mutual covenants and conditions herein contained and such other lawful and valuable consideration the receipt of sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. INTERPRETATION

1.1 Defined Terms

In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

(a) "**Account**" shall have the meaning attributed to such term in the PPSA;

(b) "**Appropriation**" shall have the meaning ascribed to such term in the *Financial Administration Act*, R.S.O. 1990, c. F-12, as amended;

(c) "**Breach**" shall have the meaning attributed to such term in Section 6.1;

(d) "**Business Day**" means any day other than a Saturday or a Sunday on which banks generally are open for business in Toronto, Ontario;

(e) "**Carrying Costs**" shall have the meaning attributed to such term in the Regulation;

(f) "**Collateral**" shall have the meaning attributed to such term in Section 2.1;

(g) "**Excluded Accounts**" means all amounts payable to the Grantor pursuant to Appropriations;

(h) "**Money**" shall have the meaning attributed to such term in the PPSA;

(i) "**Permitted Liens**" means liens approved in writing by the Secured Party and the Indenture Trustee ;

(j) "**PPSA**" means the *Personal Property Security Act* (Ontario), as amended from time to time, and any regulations thereto;

(k) "**Proceeds**" shall have the meaning attributed to such term in the PPSA;

(l) **"Receiver"** shall have the meaning attributed to such term in Section 6.2 of this Agreement;

(m) "**Regulation**" shall have the meaning attributed to such term in the recitals hereto;

(n) "**Statutory Obligation**" shall have the meaning attributed to such term in the recitals hereto.

1.2 Other Usages

References to "this Agreement", "hereof", "herein", "hereto" and like references refer to this Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.3 Plural and Singular

Where the context so requires, the words importing the singular number shall include the plural and vice versa.

1.4 Headings

The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Applicable Law

This Agreement and all documents delivered pursuant hereto shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Parties do hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

1.6 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.7 Time of the Essence

Time shall in all respects be of the essence of this Agreement.

1.8 Recitals and Schedules

Each and every one of the recitals and schedules which are referred to in this Agreement and attached to this Agreement shall form an integral part of this Agreement.

2. SECURITY INTEREST

2.1 Grant of Security Interest

As general and continuing security for the payment and performance of the Statutory Obligation, the Grantor hereby assigns, transfers, sets over and grants a first-priority security interest to the Secured Party in the following (collectively, the "**Collateral**"):

(a) all Accounts, debts, choses in action and demands of every nature and kind, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Grantor, excluding Excluded Accounts;

(b) all deeds, documents, writings, papers and books relating to or being records of the property described in Section 2.1(a); and

(c) all Proceeds and renewals of the foregoing, in whatever form, together with all substitutions therefore.

Whenever used elsewhere in this Agreement, the expression "**security interest**" refers to the security interest created in this Section 2.1.

2.2 Attachment of Security Interest

The Grantor acknowledges and agrees that (i) value has been given, (ii) the Grantor has rights in the Collateral, and (iii) the security interest shall attach to existing Collateral upon execution of this Agreement by the Grantor and to each item of after-acquired Collateral at the time that the Grantor acquires any rights therein.

3. COVENANTS OF THE GRANTOR

3.1 Covenants

The Grantor hereby covenants and agrees with the Secured Party as follows:

(a) Not to pay any other obligations of the Grantor at any time when its Statutory Obligation to pay Carrying Costs is in arrears, except to the extent that such other obligations are satisfied from amounts payable to the Grantor pursuant to Appropriations.

(b) To promptly pay all taxes, assessments, rates, levies, payroll deductions, vacation pay, workers' compensation assessments, and any other charges which could result in the creation of a statutory lien or deemed trust in respect of the Collateral.

(c) To defend the Collateral against the claims and demands of all other persons claiming the same or an interest therein and to promptly notify the Secured Party of any such claim or demand.

(d) To deliver to the Secured Party such information concerning the Collateral or the Grantor as the Secured Party may reasonably request from time to time.

(e) To do, make, execute and deliver such further and other assignments, transfers, deeds, agreements and other documents as may be required by the Secured Party to establish in favour of the Secured Party the security interest intended to be created hereby and to accomplish the intention of this Agreement.

3.2 Performance of Covenants by the Secured Party

The Secured Party may, in its sole discretion and upon notice to and at the expense of the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform and that the Secured Party is capable of performing, provided that the Secured Party will not be obligated to perform any such covenant on behalf of the Grantor and no such performance by the

Secured Party will require the Secured Party further to perform the Grantor's covenants nor operate as a derogation of the rights and remedies of the Secured Party under this Agreement.

4. DEALING WITH COLLATERAL

4.1 Grantor's Rights before Breach

Until the occurrence of a Breach and subject to the terms hereof, the Grantor shall be entitled to deal with the Collateral in the ordinary course of business, provided however, that no such action shall be taken which would impair the effectiveness of the security interests created hereby or the value of the Collateral or which would be inconsistent with or violate the Regulation, the provisions of this Agreement or any other written agreement between the Secured Party and the Grantor.

4.2 General Restrictions

The Grantor shall not, without the prior written consent of the Secured Party:

(a) sell, lease or otherwise dispose of the Collateral or any part thereof except in the ordinary course of business;

(b) release, surrender or abandon possession of the Collateral or any part thereof; or

(c) enter into or grant, create, assume or suffer to exist any mortgage, charge, hypothec, assignment, pledge, lien or other security interest or encumbrance affecting any of the Collateral except the Permitted Liens.

4.3 Release by the Secured Party

The Secured Party may, at its discretion but subject to the written approval of the Indenture Trustee, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Statutory Obligation either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

5. REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties

The Grantor hereby represents and warrants to the Secured Party, the matters set out below:

(a) **Incorporation and Qualifications** – The Grantor is a statutory corporation amalgamated under the laws of the Province of Ontario, with requisite power and authority to own its properties, to conduct its business as such properties are currently owned and such business is presently conducted by it, and to execute, deliver and carry out the terms of this Agreement.

(b) **Corporate Authority and Power** – The Grantor has the requisite power and authority to execute and deliver this Agreement and to carry out its terms. The

execution, delivery and performance of all obligations under this Agreement have been duly authorized by all necessary action on the part of the Grantor under all applicable laws.

(c) **No Other Business Names or Styles** – The Grantor does not carry on business under or use any name or style other than the name(s) specified in Schedule A to this Agreement including.

(d) **Non-Conflict** – Neither the execution nor the performance of this Agreement requires the approval of any regulatory agency having jurisdiction over the Grantor nor is this Agreement in contravention of or in conflict with the by-laws or resolutions of the directors or shareholders of the Grantor or of the provisions of any agreement to which the Grantor is a party or by which any of its property may be bound or of any statute, regulation, by-law, ordinance or other law, or to the best of its knowledge of any judgement, decree, award, ruling or order to which the Grantor or any of its property may be subject, other than approvals that have been obtained.

(e) **Ownership of Collateral Free of Liens** – The Grantor is the owner of or has rights in the Collateral free and clear of any liens other than Permitted Liens.

(f) **Grantor Information** – Schedule A sets forth (a) the Grantor's jurisdiction of incorporation, (b) the location of the Grantor's registered office and business operations and records, and (c) the Grantor's exact legal name (in English and French).

(g) **Enforceability** – This Agreement constitutes a valid and legally binding obligation of the Grantor enforceable against it in accordance with its terms, subject to general equitable principles, including the fact that the availability of equitable remedies, such as injunctive relief and specific performance, is in the discretion of the court.

5.2 Reliance and Survival

All representations and warranties of the Grantor made in this Agreement or in any certificate or other document delivered by or on behalf of the Grantor to or for the benefit of the Secured Party are material, shall survive the execution and delivery of this Agreement and shall continue in full force and effect without time limit. The Secured Party shall be deemed to have relied upon each such representation and warranty notwithstanding any investigation made by or on behalf of the Secured Party at any time.

6. BREACH AND ENFORCEMENT

6.1 Enforceability of Security

The security hereby constituted shall become enforceable upon the occurrence of any of the following events each of which shall constitute a "**Breach**":

(a) the Grantor is in breach of the Statutory Obligation;

(b) any representation or warranty made or deemed made by or on behalf of the Grantor to the Secured Party under or in connection with this Agreement shall be materially false on the date as of which made; or

(c) any breach by the Grantor of any of the covenants, terms or provisions of Article 3 of this Agreement.

6.2 Remedies

At any time after the happening of any Breach, the Secured Party shall have the following rights, powers and remedies:

(a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Secured Party so desires; it being agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Secured Party hereunder;

(b) to make payments to parties having prior charges or encumbrances on the Collateral;

(c) to preserve, protect and maintain the Collateral;

(d) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement;

(e) to sell or dispose of all or any part of the Collateral whether by public or private sale or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including without limitation, terms that provide time for payment on credit;

(f) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;

(g) to notify the account debtors or obligors under any Accounts (other than Excluded Accounts) of the assignment of such Accounts to the Secured Party and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Grantor thereunder directly to the Secured Party and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Grantor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done; and

(h) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Secured Party, the Receiver or the Grantor for the purpose of exercising any of the rights, powers and remedies set out in this Section, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral.

6.3 Special Rules re Accounts

After the security hereby constituted becomes enforceable,

(a) all Money or other form of payment received by the Grantor in respect of all of its Accounts shall be received in trust for the benefit of the Secured Party hereunder, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Secured Party in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 6.8; and

(b) the Grantor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

6.4 Receiver as Agent

The Receiver shall be deemed to be the agent of the Grantor for the purpose of establishing liability for the acts or omissions of the Receiver and the Secured Party shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Grantor hereby irrevocably authorizes the Secured Party to give instructions to the Receiver relating to the performance of its duties as set out herein.

6.5 Expenses of Enforcement

The Grantor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, legal fees and disbursements on a full indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Secured Party and the Receiver as required all amounts of Money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Grantor to the Secured Party and the Receiver pursuant to this Section 6.5 shall be payable on demand.

6.6 Indulgences and Releases

Either the Secured Party or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Grantor, debtors of the Grantor, sureties and others and with the Collateral and other security as the Secured Party or the Receiver may see fit without prejudice to the Statutory Obligation or the right of the Secured Party and the Receiver to repossess, hold, collect and realize the Collateral.

6.7 No Liability for Failure to Exercise Remedies

The Secured Party and the Receiver shall not be liable or accountable to the Grantor or to any other person for any failure to exercise any of the rights, powers and remedies set out in this Agreement, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Secured Party, the Receiver, the Grantor or any other party in respect of the same.

6.8 Proceeds of Disposition

All Moneys received by the Secured Party or by the Receiver pursuant to Section 6.2 shall be applied as follows:

(a) first, in payment of all costs and expenses incurred by the Secured Party in the exercise of all or any of the powers granted to it under this Agreement and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 6.5;

(b) second, in payment of all amounts of Money borrowed or advanced by either of the Secured Party or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;

(c) third, in payment of the Statutory Obligation, provided that if there are not sufficient Moneys to fully pay and perform the Statutory Obligation, the Secured Party may apply the Moneys available to such part or parts thereof as the Secured Party, in its sole discretion, may determine; and

(d) fourth, in payment of any surplus in accordance with applicable law.

6.9 Grantor Liable for Deficiency

If the Moneys received by the Secured Party or the Receiver pursuant to Section 6.2 are not sufficient to pay the claims set out in Section 6.8, the Grantor shall immediately pay the Secured Party the amount of such deficiency.

6.10 Restriction on Grantor

Upon the Secured Party taking possession of the Collateral or the appointment of a Receiver, all the powers, functions, rights and privileges of the Grantor or any officer, director, servant or agent of the Grantor with respect to the Collateral shall, to the extent permitted by applicable law, be suspended unless specifically continued by the written consent of the Secured Party; however, all other powers, functions, rights and privileges of the Grantor or any officer, director, servant or agent of the Grantor shall be unaffected by such events.

6.11 Rights Cumulative

All rights and remedies of the Secured Party set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute.

6.12 Care by the Secured Party

The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in the Secured Party's possession if it takes such action for

that purpose as the Grantor requests in writing, but failure of the Secured Party to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Secured Party to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Grantor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

6.13 Application by Grantor re: Receiver

The Grantor hereby irrevocably waives its right to make an application to any court with respect to the appointment, powers or remuneration of the Receiver.

7. GENERAL

7.1 Waiver

Any breach by the Grantor of any of the provisions contained in this Agreement or any default by the Grantor in the observance or performance of any covenant or condition required to be observed or performed by the Grantor hereunder, may only be waived by the Secured Party in writing, provided that no such waiver by the Secured Party shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

7.2 The Secured Party as Attorney

The Grantor hereby irrevocably appoints the Secured Party and any person further designated by the Secured Party to be the attorney of the Grantor for and in the name of the Grantor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Grantor is obliged to sign, execute or do hereunder and, after the happening of any Breach, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Grantor in the exercise of all or any of the powers hereby conferred on the Secured Party. These powers are coupled with an interest, have been given for valuable consideration (the receipt and adequacy of which is acknowledged), survive, and do not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Grantor, and are irrevocable until the Statutory Obligation has been satisfied in full and this Agreement is terminated and the security interest created herein has been released. This power of attorney extends to and is binding upon the Grantor's successors and permitted assigns. The Grantor authorizes the Secured Party to delegate in writing to another person any power and authority of the Secured Party under this power of attorney as may be necessary or desirable in the opinion of the Secured Party, and to revoke or suspend such delegation.

7.3 Further Assurances

The Grantor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party shall reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party a security interest in the Collateral, or which the Grantor may hereafter become bound to charge in favour of the Secured Party, for the purpose of accomplishing and effecting the intention of this Agreement.

7.4 Amalgamation of the Grantor

The Grantor acknowledges and agrees that in the event that it amalgamates with any other persons, then (i) the Collateral and the security interest shall extend to and include all of the property and undertaking that any of the amalgamating corporations then owns, all of the property and undertaking that the amalgamated corporation thereafter acquires, all of the property and undertaking in which any of the amalgamating corporations then has any interest, and all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest, and (ii) all references herein to the Grantor shall extend to and include the amalgamated corporation.

7.5 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Statutory Obligation until the Statutory Obligation is paid and performed in full.

7.6 Notices

All notices and other communications provided for herein shall be in writing and shall be personally delivered to an officer or other responsible employee of the addressee or sent by facsimile, charges prepaid, at or to the applicable address or facsimile number, as the case may be, of the party set opposite its name below or at or to such other address or addresses or facsimile number or numbers as either party may from time to time designate to the other party in such manner. Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of delivery. Any communication which is transmitted by facsimile as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of transmission.

In the case of the Grantor:

Independent Electricity System Operator
[Address]

Attention: ■
Email: ■
Facsimile: ■

In the case of the Secured Party:

[Financing Entity]
c/o Ontario Power Generation Inc., as Manager
700 University Avenue
Toronto, Ontario
M5G 1X6

Attention: ■
Email: ■
Facsimile: ■

7.7 Assignment

The Secured Party may from time to time upon notice to, but without the consent of the Grantor, assign or transfer this Agreement to any other person (the "**Assignee**"). The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Secured Party. The Grantor shall not be entitled to assign or transfer this Agreement or any of the Grantor's rights, duties or obligations hereunder without the prior written consent of the Secured Party.

7.8 Successors and Assigns

This Agreement shall enure to the benefit of the Secured Party and its successors and assigns and shall be binding upon the Grantor and its successors and permitted assigns.

7.9 Amendments

This Agreement may not be amended or otherwise modified except by an instrument in writing executed by all the Parties.

7.10 Entire Agreement

This Agreement and the agreements referred to herein and any document, agreement or instrument delivered pursuant to such agreements constitute the entire agreement between the Parties and supersede any prior agreements, undertakings, declarations, representations and undertakings, both written and verbal, in respect of the subject matter hereof.

7.11 Receipt of Agreement and Financing Statement.

The Grantor hereby acknowledges receipt of an executed copy of this Agreement and of the financing statement registered under the PPSA evidencing the security interest created hereby.

7.12 Counterpart

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

7.13 Delivery by Facsimile or Electronic Transmission

This Agreement may be executed and delivered by facsimile or electronic transmission and each of the Parties may rely on such facsimile or electronic signature as though such facsimile signature were an original signature.

[NEXT PAGE IS SIGNATURE PAGE]

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date first written above.

[FINANCING ENTITY], by its Manager,
ONTARIO POWER GENERATION INC., as Secured Party

By: _____
Name:
Title:

By: _____
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Grantor

By: _____
Name:
Title:

By: _____
Name:
Title:

ACKNOWLEDGED AND ACCEPTED:

[INDENTURE TRUSTEE]
as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

GRANTOR INFORMATION

1. **Grantor's exact legal name: Independent Electricity System Operator**

   ■ [French]

2. **Grantor's jurisdiction of incorporation: Ontario**

3. **Grantor's registered office address: ■**

4. **Location of Grantor's business operations and records: ■**

From: Sarah Harris
To: Opal Kandelas
Subject: FW: Fair Hydro -- Supplemental Indenture for Long Term Debt
Date: Friday, October 27, 2017 10:41:00 AM
Attachments: 46490618_1.doc

More fair hydro stuff...

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Thursday, October 26, 2017 6:48 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
Sent: Thursday, October 26, 2017 18:47
To: Kandeepan, Ken (OFA); Manning, Mike (OFA); Mayman, Gadi (OFA); Yep, Carlos (OFA); Kwan, Ronald (OFA); Devine, James (OFA); Kim, John (OFA); Strathy, Anna (OFA); Katona, Keley (MOF); John Psinas; Nelms, Scott (MOF); Montgomery, Kaitlin (MOF); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
Cc: Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG)
Subject: Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt

I might not have covered everyone with this email

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Saulnier, Brett <bsaulnier@torys.com>
Sent: Thursday, October 26, 2017 18:36
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
Cc: 'leslie.wong@opg.com'; dup-john.s.lee@opg.com; 'ken.ryfa@opg.com'; Feldman, Michael; Ramchandani, Rima; Mansoori, Nina; Olusoga, Yinka
Subject: Fair Hydro -- Supplemental Indenture for Long Term Debt

All,

Please find attached a first draft of the supplemental indenture for the long term debt, which we just received from Osler. Osler has advised that this draft remains subject to review and comment by the dealers. Please note that Torys/OPG have not yet reviewed.

Thanks,
Brett

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada |
www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=UKMqIrEhOd5FohQQ_i9mGM0DWcS8WVSb-i_5BYugB90&m=m9uxRqfLA5yr_CMZYg9HBdElshL_qDwJdd5FpugGX5s&s=X_kZViRP7OlTKG678gBpESlmCnRJE2wdd5ldv1ZSb9g&e= >
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=UKMqIrEhOd5FohQQ_i9mGM0DWcS8WVSb-i_5BYugB90&m=m9uxRqfLA5yr_CMZYg9HBdElshL_qDwJdd5FpugGX5s&s=X_kZViRP7OlTKG678gBpESlmCnRJE2wdd5ldv1ZSb9g&e= >

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FIRST [SENIOR NOTES] SUPPLEMENTAL INDENTURE

between

[ISSUER] TRUST

by

● TRUST COMPANY OF CANADA
as Issuer Trustee

and

● TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF ●, 2017

AND PROVIDING FOR THE ISSUE OF
●% SENIOR NOTES DUE ● (SENIOR NOTES SERIES 2017-1)
OF [ISSUER] TRUST

Made as of ●, 2017

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●% SENIOR NOTES DUE ● (SENIOR NOTES SERIES 2007-1)

THIS FIRST [SENIOR NOTES] SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2017, between ●, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and ● **Trust Company of Canada**, a trust company existing under the laws of **[Canada]** (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of ●, 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Senior Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Senior Notes designated as the ●% Senior Notes due ● (Series 2017-1) (the "**Series 2017-1 Senior Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) The provisions of Section 1.1 of the Trust Indenture are applicable to this Supplemental Indenture. All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2017-1 Senior Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental Indenture are applicable only in respect of the Series 2017-1 Senior Notes and not the Senior Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2017-1 Senior Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2017-1 Senior Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2017-1 SENIOR NOTES

2.1 Creation of Series 2017-1 Senior Notes

There is hereby created a Series of Senior Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●% Senior Notes due ● (Series 2017-1)**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2017-1 Senior Notes will:

(a) be designated as set out in Section 2.1;

(b) be a Series of Senior Notes as contemplated by the Trust Indenture;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have an aggregate principal amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2017-1 Senior Notes may be increased after the date hereof without the consent of any holder of Series 2017-1 Senior Notes or any holder of any Notes of any other Class, Series or Tranche;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued in the form of a Global Note;

(h) be Senior Notes and will not be subordinated to any other Series, Class or Tranche of Notes;

(i) be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) bear interest at a rate of ●% per annum;

(k) accrue interest from the later of: (i) ●, 2017 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Notes;

(l) have interest paid in equal semi-annual instalments **[(except the initial interest payment)]** on ● and ● each year (each, an "**Interest Payment Date**") commencing ●, 2018 in

respect of the Series 2017-1 Senior Notes issued prior to such date **[NTD: Interest Payment Dates to be considered in context of model]**;

(m) **[have an initial interest payment in the amount of $● per $1,000 principal amount payable on ●, 2018;]**

(n) mature on, and have ●, as their Principal Payment Due Date;

(o) have ● as their Principal Payment Default Date;

(p) have ● as their Principal Accumulation Commencement Date;

(q) have a Record Date for each Interest Payment Date that is the ● day preceding each Interest Payment Date;

(r) **[be redeemable and subject to repurchase as provided in Section 2.6 below]**; and

(s) **[not be subject to defeasance and covenant defeasance as contemplated by Section ● of the Trust Indenture] [be subject to defeasance and covenant defeasance in accordance with Section ● of the Trust Indenture].**

2.3 Delivery

On the date of issuance of the Series 2017-1 Senior Notes, Series 2017-1 Senior Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any taxes required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2017-1 Senior Notes) will (i) on each Interest Payment Date, make payment of such interest, less any taxes required by law to be deducted or withheld, by wire transfer to each holder of a Series 2017-1 Senior Note as of the Record Date, or (ii) on the day that is two Business Days before each Interest Payment Date, forward or cause to be forwarded to the registered address of each holder of a Series 2017-1 Senior Note as of the Record Date a cheque for such interest, less any taxes required by law to be deducted or withheld, payable to the order of such holder. The payment by such wire transfer or forwarding of such cheque will satisfy and discharge the liability for interest upon such Series 2017-1 Senior Note to the extent of the sum represented thereby (plus the amount of any taxes deducted or withheld as aforesaid) unless any such cheque is not paid on presentation. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

[On the] [At least one Business Day prior to the] Principal Payment Due Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of holders of Series 2017-1 Senior Notes on maturity on account of principal. The deposit of such funds will

satisfy and discharge the liability for principal of the Series 2017-1 Senior Notes to the extent of the sum represented thereby.

2.6 [Redemption and Repurchase

[**NTD: Customary redemption/repurchase mechanics to be added to Trust Indenture as per OPG MTN indenture. Redemption below contemplates a par call]**

(a) At its option, at any time prior to ● **[par call date]**, the Issuer may redeem the Series 2017-1 Senior Notes in whole or, from time to time, in part, on payment of a redemption price equal to the greater of (i) the Series 2017-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2017-1 Redemption Date. At any time on or after ● **[par call date]**, the Issuer may redeem the Series 2017-1 Senior Notes in whole or, from time to time, in part, on payment of a redemption price equal to par, together with accrued and unpaid interest to the Series 2017-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption. Less than all of the Series 2017-1 Senior Notes may be redeemed, if so redeemed, in accordance with Section ● of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2017-1 Senior Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Series 2017-1 Senior Notes that are so purchased will be cancelled and will not be re-issued. Less than all of the Series 2017-1 Senior Notes may be purchased, if so purchased, for cancellation in accordance with Section ● of the Trust Indenture.

(c) The Series 2017-1 Senior Notes will not be subject to repurchase pursuant to any sinking fund or any other required repayment provisions].

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2017-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer indemnified person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer indemnified person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section **[7.04]** or Section **[8.13]** of the Trust Indenture, shall be non-recourse other

than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

[NTD: Subject to tax review]

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (collectively, "**Taxes**"), excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other taxes based on or measured by the net income of any Series 2017-1 Noteholder (but specifically excluding any taxes required to be withheld under Section 1446 of the *Internal Revenue Code* of 1986 (as amended, the "**Code**")) as a result of a present or former connection between the recipient and the jurisdiction of the governmental authority imposing such tax (other than any such connection arising solely from the recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); and (ii) any Taxes imposed under FATCA (as defined below) (including in the case of (i) and (ii), any interest, penalties and additions to tax) (all such excluded taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a recipient hereunder, the amounts so payable to the recipient shall be increased, and the recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Where the amount payable by the Issuer is increased in accordance with the previous sentence, the Monthly Interest and Fees shall be increased by the amount of such increase. Whenever any Taxes are payable on or with respect to amounts distributed to a recipient, as promptly as possible thereafter the Issuer shall send to such recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to U.S. federal withholding Tax imposed by provisions of Chapter 4 of the Code ("**FATCA**") if the recipient of such payment were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with their obligations under FATCA and to determine that such recipient has complied with it's obligations under FATCA or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a recipient expires or becomes obsolete or inaccurate in any respect, the recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2017-1 Senior Notes

On or prior to the initial issuance of Series 2017-1 Senior Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, the Issuer shall be compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Series 2017-1 Senior Notes shall have been duly issued in accordance with the Trust Indenture and the Global Note representing the Series 2017-1 Senior Notes shall have been executed and delivered to the Depository (or as it may direct) for deposit into its [**Book-Based System**] for the benefit of the [**Beneficial Holders**] upon receipt by the Indenture Trustee of a [**Written Order**].

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2017-1 Noteholder that:

(a) no Termination Event has occurred or would result from the initial purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not non-residents of Canada within the meaning of the *Income Tax Act* (Canada);

(c) all tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name and the Declaration of Trust has neither been amended nor rescinded other than as consented to by the holders of the Series 2017-1 Senior Notes;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest;

(f) all information provided to the Administrative Agent and the Purchaser Groups by or on behalf of the Issuer in respect of the Issuer Investment Interest is and will be true and accurate in all material respects;

(g) there has been no material adverse change in the condition (financial or otherwise), business, operations, results of operations, or the property of the Issuer; and

(h) the Issuer does not own or hold, directly or indirectly, any shares or equity security of, or any equity interest in, any Person.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section ● of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Issuer and the Indenture Trustee (on behalf of the Series 2017-1 Noteholders) acknowledge and agree that the Series 2017-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.06 (Payments Held in Trust), Section 8.12 (Limitation on Suits), Sections 7.04 and 8.13 (Payment Priorities), Section 8.15 (Limited Recourse) and Section 17.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2017-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2017-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 16 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (iii) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that ● Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2017-1 Senior Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Trust Indenture as of the date first above written.

● **TRUST**, by ● **TRUST COMPANY OF CANADA**, as Issuer Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

● **TRUST COMPANY OF CANADA**, as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

[NTD: Detailed signing pages to be prepared.]

SCHEDULE A

DEFINITIONS

"**Code**" has the meaning specified in Section 2.8(a) of this Supplemental Indenture.

"**Excluded Taxes**" has the meaning specified in Section 2.8(a) of this Supplemental Indenture.

"**Government of Canada Yield**" on any date means, in respect of the Series 2017-1 Senior Notes to be redeemed, the yield from the Series 2017-1 Redemption Date to ● **[par call date]**, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to ● **[par call date]** (calculated from the Series 2017-1 Redemption Date) of the Series 2017-1 Senior Notes, such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer;

"**Interest Payment Date**" has the meaning specified in Section 2.2(l) of this Supplemental Indenture.

"**Issuer Indemnified Person**" is defined in Section 2.7

"**Requisite Series 2017-1 Noteholders**" means Series 2017-1 Noteholders holding, in aggregate, at least **[50]**% of the Series 2017-1 Senior Notes then Outstanding.

"Series 2017-1 Canada Yield Price" means a price equal to the price of the Series 2017-1 Senior Notes calculated to provide a yield to ● [**par call date**], compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2017-1 Redemption Date specified in the notice of redemption delivered pursuant to Section ● of the Trust Indenture, plus ●%;

"**Series 2017-1 Noteholder**" means a Person in whose name a Series 2017-1 Senior Note is registered in the Note Register.

"**Series 2017-1 Redemption Date**" "means a date fixed for redemption of the Series 2017-1 Senior Notes pursuant to Section ● of the Trust Indenture.

"**Series 2017-1 Senior Note**" means any one of the Series 2017-1 Senior Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Taxes**" has the meaning specified in Section 2.8(a) of this Supplemental Indenture.

"**Termination Event**" means any Event of Default or any event which with the giving of notice or the passage of time, or both, could become an Event of Default.

SCHEDULE B

[FORM OF NOTE]

SERIES 2017-1 SENIOR NOTE

●

From: Sarah Harris
To: Opal Kandelas
Subject: FW: Fair Hydro -- Supplemental Indenture for Long Term Debt
Date: Friday, October 27, 2017 10:41:00 AM
Attachments: 46490618_1.doc

More fair hydro stuff...

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Thursday, October 26, 2017 6:48 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
Sent: Thursday, October 26, 2017 18:47
To: Kandeepan, Ken (OFA); Manning, Mike (OFA); Mayman, Gadi (OFA); Yep, Carlos (OFA); Kwan, Ronald (OFA); Devine, James (OFA); Kim, John (OFA); Strathy, Anna (OFA); Katona, Keley (MOF); John Psinas; Nelms, Scott (MOF); Montgomery, Kaitlin (MOF); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
Cc: Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG)
Subject: Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt

I might not have covered everyone with this email

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Saulnier, Brett <bsaulnier@torys.com>
Sent: Thursday, October 26, 2017 18:36
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
Cc: 'leslie.wong@opg.com'; dup-john.s.lee@opg.com; 'ken.ryfa@opg.com'; Feldman, Michael; Ramchandani, Rima; Mansoori, Nina; Olusoga, Yinka
Subject: Fair Hydro -- Supplemental Indenture for Long Term Debt

All,

Please find attached a first draft of the supplemental indenture for the long term debt, which we just received from Osler. Osler has advised that this draft remains subject to review and comment by the dealers. Please note that Torys/OPG have not yet reviewed.

Thanks,
Brett

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada |
www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=UKMqIrEhOd5FohQQ_i9mGM0DWcS8WVSb-i_5BYugB90&m=m9uxRqfLA5yr_CMZYg9HBdElshL_qDwJdd5FpugGX5s&s=X_kZViRP7OlTKG678gBpESlmCnRJE2wdd5ldv1ZSb9g&e= >
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=UKMqIrEhOd5FohQQ_i9mGM0DWcS8WVSb-i_5BYugB90&m=m9uxRqfLA5yr_CMZYg9HBdElshL_qDwJdd5FpugGX5s&s=X_kZViRP7OlTKG678gBpESlmCnRJE2wdd5ldv1ZSb9g&e= >

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FIRST [SENIOR NOTES] SUPPLEMENTAL INDENTURE

between

[ISSUER] TRUST

by

● TRUST COMPANY OF CANADA
as Issuer Trustee

and

● TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF ●, 2017

AND PROVIDING FOR THE ISSUE OF
●% SENIOR NOTES DUE ● (SENIOR NOTES SERIES 2017-1)
OF [ISSUER] TRUST

Made as of ●, 2017

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●% SENIOR NOTES DUE ● (SENIOR NOTES SERIES 2007-1)

THIS FIRST [SENIOR NOTES] SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2017, between ●, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and ● **Trust Company of Canada**, a trust company existing under the laws of **[Canada]** (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of ●, 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Senior Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Senior Notes designated as the ●% Senior Notes due ● (Series 2017-1) (the "**Series 2017-1 Senior Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) The provisions of Section 1.1 of the Trust Indenture are applicable to this Supplemental Indenture. All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2017-1 Senior Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental Indenture are applicable only in respect of the Series 2017-1 Senior Notes and not the Senior Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2017-1 Senior Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2017-1 Senior Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2017-1 SENIOR NOTES

2.1 Creation of Series 2017-1 Senior Notes

There is hereby created a Series of Senior Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●% Senior Notes due ● (Series 2017-1)**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2017-1 Senior Notes will:

(a) be designated as set out in Section 2.1;

(b) be a Series of Senior Notes as contemplated by the Trust Indenture;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have an aggregate principal amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2017-1 Senior Notes may be increased after the date hereof without the consent of any holder of Series 2017-1 Senior Notes or any holder of any Notes of any other Class, Series or Tranche;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued in the form of a Global Note;

(h) be Senior Notes and will not be subordinated to any other Series, Class or Tranche of Notes;

(i) be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) bear interest at a rate of ●% per annum;

(k) accrue interest from the later of: (i) ●, 2017 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Notes;

(l) have interest paid in equal semi-annual instalments **[(except the initial interest payment)]** on ● and ● each year (each, an "**Interest Payment Date**") commencing ●, 2018 in

respect of the Series 2017-1 Senior Notes issued prior to such date **[NTD: Interest Payment Dates to be considered in context of model]**;

(m) **[have an initial interest payment in the amount of $● per $1,000 principal amount payable on ●, 2018;]**

(n) mature on, and have ●, as their Principal Payment Due Date;

(o) have ● as their Principal Payment Default Date;

(p) have ● as their Principal Accumulation Commencement Date;

(q) have a Record Date for each Interest Payment Date that is the ● day preceding each Interest Payment Date;

(r) **[be redeemable and subject to repurchase as provided in Section 2.6 below]**; and

(s) **[not be subject to defeasance and covenant defeasance as contemplated by Section ● of the Trust Indenture] [be subject to defeasance and covenant defeasance in accordance with Section ● of the Trust Indenture].**

2.3 Delivery

On the date of issuance of the Series 2017-1 Senior Notes, Series 2017-1 Senior Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any taxes required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2017-1 Senior Notes) will (i) on each Interest Payment Date, make payment of such interest, less any taxes required by law to be deducted or withheld, by wire transfer to each holder of a Series 2017-1 Senior Note as of the Record Date, or (ii) on the day that is two Business Days before each Interest Payment Date, forward or cause to be forwarded to the registered address of each holder of a Series 2017-1 Senior Note as of the Record Date a cheque for such interest, less any taxes required by law to be deducted or withheld, payable to the order of such holder. The payment by such wire transfer or forwarding of such cheque will satisfy and discharge the liability for interest upon such Series 2017-1 Senior Note to the extent of the sum represented thereby (plus the amount of any taxes deducted or withheld as aforesaid) unless any such cheque is not paid on presentation. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

[On the] [At least one Business Day prior to the] Principal Payment Due Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of holders of Series 2017-1 Senior Notes on maturity on account of principal. The deposit of such funds will

satisfy and discharge the liability for principal of the Series 2017-1 Senior Notes to the extent of the sum represented thereby.

2.6 [Redemption and Repurchase

[**NTD: Customary redemption/repurchase mechanics to be added to Trust Indenture as per OPG MTN indenture. Redemption below contemplates a par call]**

(a) At its option, at any time prior to ● **[par call date]**, the Issuer may redeem the Series 2017-1 Senior Notes in whole or, from time to time, in part, on payment of a redemption price equal to the greater of (i) the Series 2017-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2017-1 Redemption Date. At any time on or after ● **[par call date]**, the Issuer may redeem the Series 2017-1 Senior Notes in whole or, from time to time, in part, on payment of a redemption price equal to par, together with accrued and unpaid interest to the Series 2017-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption. Less than all of the Series 2017-1 Senior Notes may be redeemed, if so redeemed, in accordance with Section ● of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2017-1 Senior Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Series 2017-1 Senior Notes that are so purchased will be cancelled and will not be re-issued. Less than all of the Series 2017-1 Senior Notes may be purchased, if so purchased, for cancellation in accordance with Section ● of the Trust Indenture.

(c) The Series 2017-1 Senior Notes will not be subject to repurchase pursuant to any sinking fund or any other required repayment provisions].

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2017-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer indemnified person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer indemnified person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section **[7.04]** or Section **[8.13]** of the Trust Indenture, shall be non-recourse other

than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

[NTD: Subject to tax review]

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (collectively, "**Taxes**"), excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other taxes based on or measured by the net income of any Series 2017-1 Noteholder (but specifically excluding any taxes required to be withheld under Section 1446 of the *Internal Revenue Code* of 1986 (as amended, the "**Code**")) as a result of a present or former connection between the recipient and the jurisdiction of the governmental authority imposing such tax (other than any such connection arising solely from the recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); and (ii) any Taxes imposed under FATCA (as defined below) (including in the case of (i) and (ii), any interest, penalties and additions to tax) (all such excluded taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a recipient hereunder, the amounts so payable to the recipient shall be increased, and the recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Where the amount payable by the Issuer is increased in accordance with the previous sentence, the Monthly Interest and Fees shall be increased by the amount of such increase. Whenever any Taxes are payable on or with respect to amounts distributed to a recipient, as promptly as possible thereafter the Issuer shall send to such recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to U.S. federal withholding Tax imposed by provisions of Chapter 4 of the Code ("**FATCA**") if the recipient of such payment were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with their obligations under FATCA and to determine that such recipient has complied with it's obligations under FATCA or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a recipient expires or becomes obsolete or inaccurate in any respect, the recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2017-1 Senior Notes

On or prior to the initial issuance of Series 2017-1 Senior Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, the Issuer shall be compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Series 2017-1 Senior Notes shall have been duly issued in accordance with the Trust Indenture and the Global Note representing the Series 2017-1 Senior Notes shall have been executed and delivered to the Depository (or as it may direct) for deposit into its [**Book-Based System**] for the benefit of the [**Beneficial Holders**] upon receipt by the Indenture Trustee of a [**Written Order**].

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2017-1 Noteholder that:

(a) no Termination Event has occurred or would result from the initial purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not non-residents of Canada within the meaning of the *Income Tax Act* (Canada);

(c) all tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name and the Declaration of Trust has neither been amended nor rescinded other than as consented to by the holders of the Series 2017-1 Senior Notes;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest;

(f) all information provided to the Administrative Agent and the Purchaser Groups by or on behalf of the Issuer in respect of the Issuer Investment Interest is and will be true and accurate in all material respects;

(g) there has been no material adverse change in the condition (financial or otherwise), business, operations, results of operations, or the property of the Issuer; and

(h) the Issuer does not own or hold, directly or indirectly, any shares or equity security of, or any equity interest in, any Person.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section ● of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Issuer and the Indenture Trustee (on behalf of the Series 2017-1 Noteholders) acknowledge and agree that the Series 2017-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.06 (Payments Held in Trust), Section 8.12 (Limitation on Suits), Sections 7.04 and 8.13 (Payment Priorities), Section 8.15 (Limited Recourse) and Section 17.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2017-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2017-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 16 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (iii) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that ● Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2017-1 Senior Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Trust Indenture as of the date first above written.

● **TRUST**, by ● **TRUST COMPANY OF CANADA**, as Issuer Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

● **TRUST COMPANY OF CANADA**, as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

[NTD: Detailed signing pages to be prepared.]

SCHEDULE A

DEFINITIONS

"**Code**" has the meaning specified in Section 2.8(a) of this Supplemental Indenture.

"**Excluded Taxes**" has the meaning specified in Section 2.8(a) of this Supplemental Indenture.

"**Government of Canada Yield**" on any date means, in respect of the Series 2017-1 Senior Notes to be redeemed, the yield from the Series 2017-1 Redemption Date to ● **[par call date]**, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to ● **[par call date]** (calculated from the Series 2017-1 Redemption Date) of the Series 2017-1 Senior Notes, such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer;

"**Interest Payment Date**" has the meaning specified in Section 2.2(l) of this Supplemental Indenture.

"**Issuer Indemnified Person**" is defined in Section 2.7

"**Requisite Series 2017-1 Noteholders**" means Series 2017-1 Noteholders holding, in aggregate, at least **[50]**% of the Series 2017-1 Senior Notes then Outstanding.

"Series 2017-1 Canada Yield Price" means a price equal to the price of the Series 2017-1 Senior Notes calculated to provide a yield to ● [**par call date**], compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2017-1 Redemption Date specified in the notice of redemption delivered pursuant to Section ● of the Trust Indenture, plus ●%;

"**Series 2017-1 Noteholder**" means a Person in whose name a Series 2017-1 Senior Note is registered in the Note Register.

"**Series 2017-1 Redemption Date**" "means a date fixed for redemption of the Series 2017-1 Senior Notes pursuant to Section ● of the Trust Indenture.

"**Series 2017-1 Senior Note**" means any one of the Series 2017-1 Senior Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Taxes**" has the meaning specified in Section 2.8(a) of this Supplemental Indenture.

"**Termination Event**" means any Event of Default or any event which with the giving of notice or the passage of time, or both, could become an Event of Default.

SCHEDULE B

[FORM OF NOTE]

SERIES 2017-1 SENIOR NOTE

●

From:	William Tan
To:	Anthony Martinello; "Victor Buza"
Cc:	Sarah Harris; Lisa Stein
Subject:	FW: Final Docs for FHP Credit Agreement and AA#10
Date:	Friday, October 06, 2017 11:01:20 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v4.docx FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v4.pdf

---

Hello Anthony and Victor,

Please find the attached version of the FHP Credit Facility Agreement which includes revised Permitted Liens (K) language. Obviously the letter agreement needs to be executed first.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Wednesday, October 04, 2017 3:53 PM

To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>

Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –

" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "

Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.

Let me know if you have any questions.

Regards,

Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,

That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.

Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.

We look forward to the Permitted Liens changes tomorrow.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Tuesday, October 03, 2017 4:12 PM

To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. Thanks for these drafts. I note that clean Word and pdf versions of v.3 of the FHP Credit Agreement were attached, but there was no attachment re Amending Agreement #10 to the existing facility (not sure if that was intended).

We cannot yet provide detailed comments on the Intercept Letter itself or on the language related to the Intercept Letter now included in v.3 of the FHP Credit Facility. We will provide those comments after we have been able to confirm whether any concerns arise out of the discussions with OPG. However, at a high level, I note that the current draft of the Intercept Letter states that the existing facility (i.e. the one to be reduced to $475MM) will also be subject to the Intercept mechanism. Based on our prior discussions, we thought this existing facility was being "grandfathered" and so would not be subject to the OFA policy that requires inclusion of the Intercept mechanism/language. Can you please clarify OFA's intended approach on this ?

Also, just wanted to let you know that based on our most recent reviews of the draft documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.

Feel free to call if you have any questions.

Regards,

Victor

Victor Buza | Senior Counsel
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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.

The latest versions are:

OFA IESO Amending Agreement No. 10 – Execution Version v2.

FHP Credit Facility Agreement – Execution Version v3.

Thanks,

Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.

FHP credit facility agreement

1.Page 18. Facsimile: (416)860-8346

2. Page 20. Delivered Via Email: CASHP@ofina.on.ca

3. Page 22. Delivered Via Email: CASHP@ofina.on.ca

OFA IESO Amending Agreement No. 10

Page 6. Delivered Via Email: CASHP@ofina.on.ca

Page 8. Delivered Via Email: CASHP@ofina.on.ca

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.
4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,
Victor

Victor Buza | Senior Counsel
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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Anthony Martinello; "Victor Buza"
Cc:	Sarah Harris; Lisa Stein
Subject:	FW: Final Docs for FHP Credit Agreement and AA#10
Date:	Friday, September 29, 2017 5:00:45 PM
Attachments:	fhp credit facility agreement execution version v3 blackline.pdf fhp credit facility agreement execution version v3 blackline.docx

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.
The latest versions are:
OFA IESO Amending Agreement No. 10 – Execution Version v2.
FHP Credit Facility Agreement – Execution Version v3.
Thanks,
Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' ; Anthony Martinello
Cc: Sarah Harris ; Lisa Stein
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.
FHP credit facility agreement
1.Page 18. Facsimile: (416)860-8346
2. Page 20. Delivered Via Email: CASHP@ofina.on.ca
3. Page 22. Delivered Via Email: CASHP@ofina.on.ca
OFA IESO Amending Agreement No. 10
Page 6. Delivered Via Email: CASHP@ofina.on.ca
Page 8. Delivered Via Email: CASHP@ofina.on.ca
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following “September” as appropriate so that the final signing date can be

filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).

2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.
4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will

follow-up with minor fixes to the Amending Agreement No.10 document shortly.
Regards,
Victor
416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Anthony Martinello; "Victor Buza"
Cc:	Sarah Harris; Lisa Stein
Subject:	FW: Final Docs for FHP Credit Agreement and AA#10
Date:	Friday, September 29, 2017 5:00:45 PM
Attachments:	fhp credit facility agreement execution version v3 blackline.pdf fhp credit facility agreement execution version v3 blackline.docx

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.
The latest versions are:
OFA IESO Amending Agreement No. 10 – Execution Version v2.
FHP Credit Facility Agreement – Execution Version v3.
Thanks,
Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' ; Anthony Martinello
Cc: Sarah Harris ; Lisa Stein
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.
FHP credit facility agreement
1.Page 18. Facsimile: (416)860-8346
2. Page 20. Delivered Via Email: CASHP@ofina.on.ca
3. Page 22. Delivered Via Email: CASHP@ofina.on.ca
OFA IESO Amending Agreement No. 10
Page 6. Delivered Via Email: CASHP@ofina.on.ca
Page 8. Delivered Via Email: CASHP@ofina.on.ca
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following “September” as appropriate so that the final signing date can be

filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).

2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.
4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will

follow-up with minor fixes to the Amending Agreement No.10 document shortly.
Regards,
Victor
416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: William Tan
To: Sarah Harris
Subject: FW: Final Docs for FHP Credit Agreement and AA#10
Date: Thursday, September 14, 2017 2:35:18 PM

Hi Sarah,

I spoke to Lisa and she replied with the following.

Are you find with me sending out version two?

"I didn't review again as it was my understanding there were no substantive changes. "

From: William Tan

Sent: Thursday, September 14, 2017 1:39 PM

To: Sarah Harris

Subject: Final Docs for FHP Credit Agreement and AA#10

Hi Sarah,

Fyi

No sign-off required from Lisa. Changes were not substantive. Please see below.

[9/14/2017 11:16 AM] William Tan:

Hi Lisa, Sarah and I have reviewed executed versions and have no comments except for the phone and email contacts we discussed. I will send IESO a second version of the documents. Do you need sign off on anything before i send them the second version?

the only thing i changed was the email and fax numbers.

[9/14/2017 11:28 AM] Lisa Stein:

No this is not substantive no sign off required

We saved this conversation. You'll see it soon in the Conversations tab in Lync and in the Conversation History folder in Outlook.

[9/14/2017 11:32 AM] William Tan:

Thanks Lisa.

We saved this conversation. You'll see it soon in the Conversations tab in Lync and in the Conversation History folder in Outlook.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Tuesday, September 12, 2017 3:59 PM

To: William Tan <William.Tan@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency

certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.

4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein

Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

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Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein

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From: William Tan
To: Sarah Harris
Subject: FW: Final Docs for FHP Credit Agreement and AA#10
Date: Wednesday, October 04, 2017 1:54:46 PM

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fyi

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

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OFA IESO Amending Agreement No. 10 – Execution Version v2.

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Thanks,

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From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
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To:	"Victor Buza"; Anthony Martinello
Cc:	Sarah Harris; Lisa Stein; John Kim
Subject:	FW: Final Docs for FHP Credit Agreement and AA#10
Date:	Wednesday, October 04, 2017 1:28:14 PM

Hello Victor,
I wish to clarify that my comment regarding the Amending Agreement No. 10 v2 was purely from a version perspective and not connected to the inclusion/non-inclusion of the Intercept Provision.
Thanks,
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That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.
Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.
We look forward to the Permitted Liens changes tomorrow.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan ; Anthony Martinello
Cc: Sarah Harris ; Lisa Stein
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
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In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From:	William Tan
To:	Anthony Martinello; "Victor Buza"
Cc:	Sarah Harris; Lisa Stein
Subject:	FW: Final Docs for FHP Credit Agreement and AA#10
Date:	Friday, October 06, 2017 11:01:20 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v4.docx FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v4.pdf

---

Hello Anthony and Victor,

Please find the attached version of the FHP Credit Facility Agreement which includes revised Permitted Liens (K) language. Obviously the letter agreement needs to be executed first.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Wednesday, October 04, 2017 3:53 PM

To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>

Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –

" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "

Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.

Let me know if you have any questions.

Regards,

Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,

That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.

Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.

We look forward to the Permitted Liens changes tomorrow.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Tuesday, October 03, 2017 4:12 PM

To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. Thanks for these drafts. I note that clean Word and pdf versions of v.3 of the FHP Credit Agreement were attached, but there was no attachment re Amending Agreement #10 to the existing facility (not sure if that was intended).

We cannot yet provide detailed comments on the Intercept Letter itself or on the language related to the Intercept Letter now included in v.3 of the FHP Credit Facility. We will provide those comments after we have been able to confirm whether any concerns arise out of the discussions with OPG. However, at a high level, I note that the current draft of the Intercept Letter states that the existing facility (i.e. the one to be reduced to $475MM) will also be subject to the Intercept mechanism. Based on our prior discussions, we thought this existing facility was being "grandfathered" and so would not be subject to the OFA policy that requires inclusion of the Intercept mechanism/language. Can you please clarify OFA's intended approach on this ?

Also, just wanted to let you know that based on our most recent reviews of the draft documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.

Feel free to call if you have any questions.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.

The latest versions are:

OFA IESO Amending Agreement No. 10 – Execution Version v2.

FHP Credit Facility Agreement – Execution Version v3.

Thanks,

Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.

FHP credit facility agreement

1.Page 18. Facsimile: (416)860-8346

2. Page 20. Delivered Via Email: CASHP@ofina.on.ca

3. Page 22. Delivered Via Email: CASHP@ofina.on.ca

OFA IESO Amending Agreement No. 10

Page 6. Delivered Via Email: CASHP@ofina.on.ca

Page 8. Delivered Via Email: CASHP@ofina.on.ca

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.
4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

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- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	John Kim
To:	Sarah Neville; Sarah Harris; William Tan; Anna Strathy
Cc:	Lisa Stein; Gavin He
Subject:	FW: Finalization of OFA-IESO Credit Agreements
Date:	Tuesday, October 24, 2017 5:07:02 PM

Fyi.

From: John Kim
Sent: Tuesday, October 24, 2017 5:06 PM
To: 'Victor Buza'
Cc: Anthony Martinello ; Michael Boll ; Lisa Stein
Subject: RE: Finalization of OFA-IESO Credit Agreements

Hi Victor,

With timely execution of the letter agreement by all parties, we will move to conclude the FHP credit facility agreement and amending agreement #10 by November 1st. Also, future amendments to these agreements would have to be considered when known at the time. The OFA will not make any assurances or representations to the IESO that such amendments would be made as a matter of right.

Let's aim to get the letter agreement done well before the end of this week.

Thanks,

John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 4:20 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Finalization of OFA-IESO Credit Agreements

Hi John. We have had internal discussions following your and my conversation yesterday afternoon regarding the finalization of the two OFA/IESO credit agreements (Amending Agreement #10 to the existing credit agreement; and the new $2 billion credit agreement for implementing the Fair Hydro Plan).

As discussed, we need urgently to finalize these credit agreements in order to avoid a funding shortfall for IESO in November relating to implementing the FHP. There will not be sufficient room under the existing OFA credit agreement – with its commitment of $975 million – to fund the amounts required by IESO in this regard.

Given this urgent funding need, we propose that OFA and IESO finalize the current drafts of the credit agreements and have them executed by both parties no later than Wednesday, November 1 in order to ensure that funds will be available for drawing by IESO in November.

We recognize that the on-going discussions with the OPG Trust about a possible grant of security over IESO's assets in connection with implementing the Fair Hydro Plan may result in the need for further amendments to the OFA-IESO credit agreements. However, we propose to amend the agreements as needed once we actually know what, if anything, is required in this regard.

We would appreciate it is OFA could let us know if it agrees with the above approach by Thursday this week in order that we may each proceed to take the steps required to finalize and execute the agreements, and maintain the timely funding of IESO's needs.

Regards,

Victor
Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]
This email message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution, or copying of this email message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this email message.

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From:	John Kim
To:	Sarah Neville; Sarah Harris; William Tan
Cc:	Lisa Stein; Anna Strathy; Gavin He
Subject:	FW: Finalization of OFA-IESO Credit Agreements
Date:	Tuesday, October 24, 2017 4:28:24 PM

Fyi, and pls. let me know if any concern.
Victor's comments seem reasonable to me. They are indicating that the discussion between OPG Trust and IESO has not settled. I do think about any risks that could result from continuing to go down this path and not sure I can come up with any. I wouldn't mind a reiteration from Legal back to Victor on the due process and approvals required on any future amendments to the credit facility or facilities in place [when the discussion between OPG Trust and IESO conclude].
Please keep Gadi in the loop on this. I will keep Ron in the loop.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 4:20 PM
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Cc: Anthony Martinello ; Michael Boll ; Lisa Stein
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Given this urgent funding need, we propose that OFA and IESO finalize the current drafts of the credit agreements and have them executed by both parties no later than Wednesday, November 1 in order to ensure that funds will be available for drawing by IESO in November.
We recognize that the on-going discussions with the OPG Trust about a possible grant of security over IESO's assets in connection with implementing the Fair Hydro Plan may result in the need for further amendments to the OFA-IESO credit agreements. However, we propose to amend the agreements as needed once we actually know what, if anything, is required in this regard.
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Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]
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Regards,
Victor

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Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]
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Cc:	Lisa Stein; Gavin He
Subject:	FW: Finalization of OFA-IESO Credit Agreements
Date:	Tuesday, October 24, 2017 5:07:02 PM

Fyi.

From: John Kim
Sent: Tuesday, October 24, 2017 5:06 PM
To: 'Victor Buza'
Cc: Anthony Martinello ; Michael Boll ; Lisa Stein
Subject: RE: Finalization of OFA-IESO Credit Agreements

Hi Victor,

With timely execution of the letter agreement by all parties, we will move to conclude the FHP credit facility agreement and amending agreement #10 by November 1st. Also, future amendments to these agreements would have to be considered when known at the time. The OFA will not make any assurances or representations to the IESO that such amendments would be made as a matter of right.

Let's aim to get the letter agreement done well before the end of this week.

Thanks,

John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 4:20 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Finalization of OFA-IESO Credit Agreements

Hi John. We have had internal discussions following your and my conversation yesterday afternoon regarding the finalization of the two OFA/IESO credit agreements (Amending Agreement #10 to the existing credit agreement; and the new $2 billion credit agreement for implementing the Fair Hydro Plan).

As discussed, we need urgently to finalize these credit agreements in order to avoid a funding shortfall for IESO in November relating to implementing the FHP. There will not be sufficient room under the existing OFA credit agreement – with its commitment of $975 million – to fund the amounts required by IESO in this regard.

Given this urgent funding need, we propose that OFA and IESO finalize the current drafts of the credit agreements and have them executed by both parties no later than Wednesday, November 1 in order to ensure that funds will be available for drawing by IESO in November.

We recognize that the on-going discussions with the OPG Trust about a possible grant of security over IESO's assets in connection with implementing the Fair Hydro Plan may result in the need for further amendments to the OFA-IESO credit agreements. However, we propose to amend the agreements as needed once we actually know what, if anything, is required in this regard.

We would appreciate it is OFA could let us know if it agrees with the above approach by Thursday this week in order that we may each proceed to take the steps required to finalize and execute the agreements, and maintain the timely funding of IESO's needs.

Regards,

Victor
Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]
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From:	William Tan
To:	Sarah Harris
Subject:	FW: IESO $975M Credit Facility (RPP Loan) - Notice for Oct 20/17 $825.6M
Date:	Wednesday, October 18, 2017 10:09:02 AM
Attachments:	Rollover Notice with advance.pdf image001.png

fyi

From: Carlos Yep
Sent: Wednesday, October 18, 2017 10:08 AM
To: John Kim ; William Tan
Subject: FW: IESO $975M Credit Facility (RPP Loan) - Notice for Oct 20/17 $825.6M

FYI. Total = 836.288M (RPP $825.639M + RRPP $10.649)

(a) The date of the proposed election, being a Business Day is October 20, 2017
(b) The aggregate amount of the new loan is $825,639,102.00
i. previous principal amount: $604,963,600.47
ii. advance: $220,675,501.53
(c) The new Repayment Date applicable to such Advance is November 21, 2017

From: Olga Whiteley [mailto:Olga.Whiteley@ieso.ca]
Sent: Wednesday, October 18, 2017 9:51 AM
To: CASHP <CASHP@ofina.on.ca>; SETTLEMENT <SETTLEMENT@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; Serena Ly <Serena.Ly@ofina.on.ca>; James Devine <James.Devine@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: IESO $975M Credit Facility (RPP Loan) - Notice for Oct 20/17

See attached notice for October 20, 2017 regarding IESO's $975million facility for the RPP Loan.
Please send the funds to IESO RPP account:
Beneficiary: Independent Electricity System Operator - RPP
Bank: TD Bank
Bank ID: 0004
Transit Number: 10202
Account Number: 5509622
Thanks.

Olga Whiteley | Treasury and Pension Operations
Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913
Station A, Box 4474, Toronto, ON M5W 4E5
Web: www.ieso.ca[ieso.ca] | Email: olga.whiteley@ieso.ca

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SCHEDULE 2
FORM OF ELECTION NOTICE*

Date: October 18, 2017

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7AIY7

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IESO confirms it will also be paying interest in the amount of $600,820.01.
This transaction relates to the settlement of the Regulated Price Plan (RPP) variance.

Such election shall be confirmed by the IESO by a telephone call to OFA Cash· Management (416) 325-8108.

The IESO hereby certifies that:

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Yours truly,
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Per: K Marshall

Kimberly Marshall
VP Corporate Services, CFO and Treasurer

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Per: K Marshall

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VP Corporate Services, CFO and Treasurer

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Date:	Wednesday, October 18, 2017 10:09:03 AM
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FYI. Total = 836.288M (RPP $825.639M + RRPP $10.649)

(a) The date of the proposed election, being a Business Day is October 20, 2017
(b) The aggregate amount of the new loan is $10,649,081.37
i. previous principal amount: $9,841,878.70
ii. advance: $807,202.67
(c) The new Repayment Date applicable to such Advance is November 21, 2017

From: Olga Whiteley [mailto:Olga.Whiteley@ieso.ca]
Sent: Wednesday, October 18, 2017 9:58 AM
To: CASHP <CASHP@ofina.on.ca>; SETTLEMENT <SETTLEMENT@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; Serena Ly <Serena.Ly@ofina.on.ca>; James Devine <James.Devine@ofina.on.ca>
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Bank:	TD Bank
Bank ID:	0004
Transit Number:	10202
Account Number:	5500617

Thanks.

Olga Whiteley | Treasury and Pension Operations
Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913
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Per: K Marshall

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From:	William Tan
To:	Sarah Harris
Subject:	FW: IESO $975M Credit Facility (RRRP Loan) - Notice for Aug 21/17 $7.2M
Date:	Wednesday, September 13, 2017 1:56:48 PM
Attachments:	Rollover Notice with advance.pdf

From: Carlos Yep
Sent: Thursday, August 17, 2017 9:20 AM
To: William Tan <William.Tan@ofina.on.ca>
Subject: FW: IESO $975M Credit Facility (RRRP Loan) - Notice for Aug 21/17 $7.2M

Hi Will
FYI – For RRRP - The new o/s will be $7,175,694.39

We will be rolling over $6,629,013.88 and advancing an additional $546,680.51.

Regards
Carlos

From: Hamlet Alexanian [mailto:hamlet.alexanian@ieso.ca]
Sent: Thursday, August 17, 2017 8:14 AM
To: CASHP <CASHP@ofina.on.ca>; SETTLEMENT <SETTLEMENT@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; Serena Ly <Serena.Ly@ofina.on.ca>; James Devine <James.Devine@ofina.on.ca>
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Transit Number:	10202
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Thanks.

Hamlet Alexanian | Prudential Analyst
Independent Electricity System Operator (IESO) | T: (905) 403-6973 | F: (905) 403-6913
Station A, Box 4474, Toronto, ON M5W 4E5
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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Hamlet Alexanian | Prudential Analyst

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From: Olga Whiteley [mailto:Olga.Whiteley@ieso.ca]
Sent: Wednesday, October 18, 2017 9:58 AM
To: CASHP <CASHP@ofina.on.ca>; SETTLEMENT <SETTLEMENT@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; Serena Ly <Serena.Ly@ofina.on.ca>; James Devine <James.Devine@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: IESO $975M Credit Facility (RRRP Loan) - Notice for Oct 20/17
See attached notice for October 20, 2017 regarding IESO's $975million facility for the RRRP Loan.
Please send the funds to IESO RRRP account:
Beneficiary: Independent Electricity System Operator - RRRP
Bank: TD Bank
Bank ID: 0004
Transit Number: 10202
Account Number: 5500617
Thanks.

Olga Whiteley | Treasury and Pension Operations
Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913
Station A, Box 4474, Toronto, ON M5W 4E5
Web: www.ieso.ca[ieso.ca] | Email: olga.whiteley@ieso.ca

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ieso
Connecting Today.
Powering Tomorrow.

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2
FORM OF ELECTION NOTICE*

Date: October 18, 2017

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7AIY7

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("**IESO**"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the" **Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue all or a portion of an Advance for an additional term, and in that connection with such election, sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day is October 20, 2017
(b) The aggregate amount of the new loan is $10,649,081.37
    i. previous principal amount: $9,841,878.70
    ii. advance: $807,202.67
(c) The new Repayment Date applicable to such Advance is November 21, 2017

IESO confirms it will also be paying interest in the amount of $9,774.47. This transaction relates to the settlement of the Rural or Remote Electricity Rate Protection (RRRP) variance.

Such election shall be confirmed by the IESO by a telephone call to OFA Cash· Management (416) 325-8108.

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement, and are not being used for any other purpose.

Yours truly,
INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: K Marshall

Kimberly Marshall
VP Corporate Services, CFO and Treasurer

(a) The date of the proposed election, being a Business Day is October 20, 2017
(b) The aggregate amount of the new loan is $10,649,081.37
    i. previous principal amount: $9,841,878.70
    ii. advance: $807,202.67
(c) The new Repayment Date applicable to such Advance is November 21, 2017

From: William Tan
To: Sarah Harris
Subject: FW: IESO -> timeline of new facilities and draws
Date: Thursday, November 02, 2017 9:21:06 AM

Hello Sarah,
My edits are in red.
Thanks,
Will
This week:

- MOE, OFA, IESO to sign Intercept Letter;
- Sign (2) original $2billion fair hydro credit facility + (1) separate grid promissory note;
- Sign (2) original amendment #10 to reduce existing $975million facility to $475million + (1)separate grid promissory note payable for $475million and send to OFA, effective Nov 21;
- Resolution of the Board of Directors and Incumbency Certificate

Nov 17

- $975MM facility: IESO to file ~~Election~~ Borrowing Notice [to allow balance to mature to generate zero balance grid note and traded as new advance] to rollover $10,649,081.37 + estimated new advance $2 million -> re: RRRP program
- ~~$975MM~~ $2B facility: IESO to file ~~Election~~ Borrowing Notice to ~~rollover~~ advance $825,639,102.00 + estimate new advance $225 million -> re: fair hydro (aka RPP) program

Nov 21

- OFA to deposit new advance monies into IESO bank account;
- IESO to pay interest amounts to OFA for both RRRP and fair hydro outstanding amounts (re: interest for Oct 20 to Nov 21 period)
- OFA to cancel and send to IESO the $975million grid note payable;
- OFA to send via email updated grids reflecting:
  - $475MM facility, RRRP to show new increased liability amount for $12,649,081.37 approx;
  - $975MM facility, fair hydro -> to show zero balance owing ;
  - $2B facility, fair hydro -> to show new fair hydro (RPP) balance $1,050,639,101 approx;

From: Sarah Harris
Sent: Thursday, November 02, 2017 8:11 AM
To: William Tan
Subject: Fwd: IESO -> timeline of new facilities and draws
Hi Will,
As soon possible this morning, please send me a draft that shows corrections on Anthony's process that we can then send back to IESO before we have a call.
Thanks,
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Sent from my iPhone

Begin forwarded message:

From: Anthony Martinello <Anthony.Martinello@ieso.ca>

Date: November 1, 2017 at 10:24:15 PM EDT
To: William Tan <William.Tan@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>, "Tobias P. Whitfield (MOF)" <Tobias.Whitfield@ontario.ca>, Lisa Stein <Lisa.Stein@ofina.on.ca>, "Victor Buza" <Victor.Buza@ieso.ca>, Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO -> timeline of new facilities and draws

As discussed with Will, below is a detailed timeline with actual amounts of upcoming IESO-OFA credit events for your review.
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Regards.

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: November 01, 2017 2:07 PM
To: Victor Buza
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); Lisa Stein; William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hello Victor,

Lisa is in a meeting until 3 p.m.., so I am forwarding our comments on the FHP agreement on her behalf.

We have made a minor change to section 3.2(3) - specifically, we deleted the language "and shall also be noted in the grid of the Grid Note" following "The amount of the Repayment Amount shall be detailed in the Borrowing Notice." This is because the Repayment Amount ($825M) is not the first entry on the FHP Grid; the first entry will be for the entire advance of approximately $1B ($825M + new funds). Anthony and Will just had a call to discuss the particulars of what the various grid notes under the existing facility and new facility will be on November 21st (including partial repayment

of the outstanding $840M loan) and Anthony will be circulating an e-mail summarizing that conversation. The Effective Date of the amending agreement to reduce the existing facility will also be November 21st, not November 22nd.
In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". It looks, in practice, that the intercept letter will be executed prior to these two facility agreements, so we surmise this would not be an issue.
We received your most recent draft of the amending agreement. Lisa will be able to review once she is out of her meeting, after 3 p.m.
Thanks,
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Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"
Comments on AA#10 to follow tomorrow morning.
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Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,
Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to

address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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Victor

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Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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From: Sarah Harris
To: William Tan
Subject: FW: IESO Directive
Date: Friday, September 01, 2017 9:29:13 AM

Hi Will,
I know that Anthony hasn't yet reviewed the amending agreement #10. When you contacted him yesterday to ask for the electronic execution copy of the $2 billion facility, did he confirm when he would send it to you?
Thanks,
Sarah

From: Opal Kandelas
Sent: Friday, September 01, 2017 9:23 AM
To: Sarah Harris
Subject: Re: IESO Directive
Okay. Thanks for the update. Implications for IESO's relationship with Moody's?
Are the agreements ready in execution form for when the exemption is finally approved?
While we wait for this to occur I'd like to review both agreements. I will also suggest to Mike that a copy of both can be provided to him so that he can review in advance of signing.
Opal.

On Sep 1, 2017, at 9:11 AM, Sarah Harris <Sarah.Harris@ofina.on.ca> wrote:

> Hi Opal,
> The IESO directive was not signed yesterday. DMO/MO made the decision to pursue our Minister's signature early next week.
> Sarah

From:	Sarah Harris
To:	William Tan
Subject:	FW: IESO Grid Note (Redux)
Date:	Monday, September 11, 2017 12:16:22 PM
Attachments:	IESO RRRP Grid Note as at Aug 21st.pdf IESO RPP Grid Note as at Aug 21st.pdf

---

From: LeRoy Ahyee
Sent: Monday, September 11, 2017 12:15 PM
To: Sarah Harris
Subject: IESO Grid Note (Redux)

FYI, as discussed.

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority
Ph: 416-325-8076 | Cell: 416-473-1081
LeRoy.Ahyee@ofina.on.ca

Ontario Financing Authority

Line of Credit Grid Note

Entity : Independent Electricity System Operator

Project: Rural or Remote Electricity Rate Protection Variance

Schedule of loan transactions to: 21-Aug-2017

Loan Limit: 475,000,000.00

Loan Advanced to: 21-Aug-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017	33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	$2,950.27	$2,950.27	$0.00	$2,950.27	21-Jul-2017	31
21-Jul-2017	$6,629,013.88	1.0000%	21-Aug-2017	31	$5,630.12	$5,630.12	$0.00	$5,630.12	21-Aug-2017	31
21-Aug-2017	$7,175,694.39	1.0100%	21-Sep-2017	31	$6,155.37	$0.00	$0.00	$0.00		

Ontario Financing Authority

Line of Credit Grid Note

Entity : Independent Electricity System Operator

Project: Regulated Price Plan Variance

Schedule of loan transactions to: 21-Aug-2017

Loan Limit: 975,000,000.00

Loan Advanced to: 21-Aug-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016	31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016	30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016	33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016	30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017	30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017	32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017	28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017	34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017	29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	$73,796.11	$73,796.11	$0.00	$73,796.11	21-Jul-2017	31
21-Jul-2017	$246,567,897.99	1.0000%	21-Aug-2017	31	$209,413.83	$209,413.83	$0.00	$209,413.83	21-Aug-2017	31
21-Aug-2017	$394,702,336.03	1.0100%	21-Sep-2017	31	$338,578.91	$0.00	$0.00	$0.00		

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To:	William Tan
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Loan Limit: 475,000,000.00

Loan Advanced to: 21-Aug-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017	33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	$2,950.27	$2,950.27	$0.00	$2,950.27	21-Jul-2017	31
21-Jul-2017	$6,629,013.88	1.0000%	21-Aug-2017	31	$5,630.12	$5,630.12	$0.00	$5,630.12	21-Aug-2017	31
21-Aug-2017	$7,175,694.39	1.0100%	21-Sep-2017	31	$6,155.37	$0.00	$0.00	$0.00		

Ontario Financing Authority

Line of Credit Grid Note

Entity : Independent Electricity System Operator

Project: Regulated Price Plan Variance

Schedule of loan transactions to: 21-Aug-2017

Loan Limit: 975,000,000.00

Loan Advanced to: 21-Aug-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016	31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016	30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016	33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016	30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017	30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017	32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017	28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017	34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017	29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	$73,796.11	$73,796.11	$0.00	$73,796.11	21-Jul-2017	31
21-Jul-2017	$246,567,897.99	1.0000%	21-Aug-2017	31	$209,413.83	$209,413.83	$0.00	$209,413.83	21-Aug-2017	31
21-Aug-2017	$394,702,336.03	1.0100%	21-Sep-2017	31	$338,578.91	$0.00	$0.00	$0.00		

From:	William Tan
To:	Caroline Swerdlyk; Sarah Harris; Sarah Neville; Lisa Stein
Subject:	FW: IESO Grid Notes
Date:	Thursday, August 31, 2017 2:43:19 PM

fyi

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' ; Victor Buza
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.

Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.

And, please send over draft Amendment #10 for our review.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,

We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.

Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.

Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,

Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.

You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).

It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.

I assume there is an internal OFA grid document which provides each advance as segregate rows.

Victor and I are reviewing today's draft.

Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

Ontario
LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

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From:	William Tan
To:	Sarah Harris
Subject:	FW: IESO Status of Agreements
Date:	Tuesday, October 24, 2017 2:18:23 PM
Attachments:	RE IESO OFA new FH credit facility - Amending Agreement 10.msg

Hello Sarah,
Lisa has already signed-off.
Thanks,
Will

From: Sarah Harris
Sent: Tuesday, October 24, 2017 1:15 PM
To: William Tan
Subject: RE: IESO Status of Agreements
Thanks, Will.
Form of signing authority is also good?
Sarah

From: William Tan
Sent: Tuesday, October 24, 2017 11:22 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: IESO Status of Agreements
Hi Sarah,

1. FHP Revolving Credit Facility Agreement 2017-202 Execution Version 5 – Latest version. Lisa recommended that she send it to Victor herself. I will check with Lisa that this has been sent.
2. OFA IESO Amending Agreement No. 10 Execution Version 2 – yesterday, I have raise a couple issues in comparison to the FHP with Lisa. She is currently weighing if changes are necessary to the Amending Agreement. I will follow-up with Lisa the status of this.
3. Grid promissory note for the Amending Agreement 10 – Risa is WFH today. I will notify her the current status of the intercept letter so she may have a grid promissory note balance ready.

Thanks,
Will

From: Sarah Harris
Sent: Tuesday, October 24, 2017 10:18 AM
To: William Tan <William.Tan@ofina.on.ca>
Subject: IESO Status of Agreements
Hi Will,
Looks like we may be making some progress on IESO intercept letter
How close are we to execution versions of the FHP draft and amending agreement draft, and is the Prom Note in good shape? Are all signing authorities also in good shape?
Thanks,
Sarah

From: Lisa Stein []
To: William Tan [William.Tan@ofina.on.ca]
CC: Sarah Harris [Sarah.Harris@ofina.on.ca]; Jean-Francois Beaupre [Jean-Francois.Beaupre@ofina.on.ca]; Kelly Listoe [Kelly.Listoe@ofina.on.ca]
Subject: RE: IESO : OFA new FH credit facility - Amending Agreement 10
Date: Wednesday, July 26, 2017 09:33:59

I don't have any comments

From: William Tan
Sent: Wednesday, July 26, 2017 8:47 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>
Subject: FW: IESO : OFA new FH credit facility - Amending Agreement 10

Hello Lisa,

Please find the Resolution of the Board of Directors for FHP and Certificate of Incumbency for FHP & Amending Agreement 10. I have reviewed the documents and have no comments. Please let me know if you have any concerns.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, July 25, 2017 3:26 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: IESO : OFA new FH credit facility - Amending Agreement 10

Hi Will et al – per our discussion, please find attached:

1. The redacted certified resolution of the board of directors of IESO authorizing both the Fair Hydro Plan Credit Agreement and the amendment to the existing OFA line, and authorizing our CFO to finalize, execute and deliver both agreements; and
2. A draft incumbency certificate.

Let me know if you have any questions or comments.

Regards,
Victor

From: Victor Buza
Sent: July 25, 2017 9:41 AM
To: William Tan; Anthony Martinello

Cc: Sarah Harris; Kelly Listoe; Lisa Stein
Subject: Re: IESO : OFA new FH credit facility - Amending Agreement 10

Hi Will - a couple of small items I am noticing on this draft of Amending Agreement #10 - not sure who is handling the legal drafting details, but it would be helpful if we could do a quick Legal call on this rather than send drafts back and forth - we should be able to deal with it quicker that way.

Also, at the same time, I'd like to touch base on the authorizing documents - the Certified IESO Board Resolution and Incumbency Certificate are ready for your review in draft form, but before sending those over, I would like to briefly discuss the Delegation of Authority document you mentioned since I believe it may not apply here.

I am not in the office today so please give me a call at 905-929-1434 this morning or between 2:00 and 5:30 this afternoon - or let me know who to call at what number.

Thanks
Victor

From: William Tan <William.Tan@ofina.on.ca>
Sent: Monday, July 24, 2017 11:05 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Kelly Listoe; Lisa Stein
Subject: RE: IESO : OFA new FH credit facility - Amending Agreement 10

Thank you gentlemen. For your convenience please find the revised amending agreement.

Other than paragraphs 2 & 3, the draft tracks only new changes to the Amending Agreement that the OFA is proposing to make to IESO's July 7 draft, most are simply true up changes to align definitions, etc. The only substantive issue is the change to paragraph 4 confirming the limitation on the use of proceeds.

Please let me know if you require anything further or if you have questions.

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, July 24, 2017 11:02 AM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>
Subject: RE: IESO : OFA new FH credit facility - Amending Agreement 10

Hi Will – we are ok with that language. I will proceed to revise the document accordingly.
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: July 24, 2017 10:46 AM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Kelly Listoe
Subject: RE: IESO : OFA new FH credit facility - Amending Agreement 10

Good morning Anthony,

I've had a chance to speak with Victor on Friday to try to clear up any confusion.
Victor did not have any major concerns regarding Paragraph 2 and 3. But, deferred to you for Paragraph 4.
If the "Use of Proceeds" section is not acceptable please let me know by **noon**. So that I may take action to seek a new Directive and the timing is very tight given our Ministers' vacation schedule.

Thanks,

Will

From: William Tan
Sent: Friday, July 21, 2017 2:25 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: IESO : OFA new FH credit facility - Amending Agreement 10

Hello Victor,

We apologize for the delay in replying back on the draft amending agreement. The proposed change regarding the Use of Proceeds required internal discussions to work through the proposed wording. I will send you a revised mark-up next week, but would ask if IESO is able to agree to the following key items:

Paragraph 4 -USE OF PROCEEDS:
Would IESO be able to agree the following addition to IESO's proposed "Use of Proceeds":

*"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the Electricity Act, 1998, as such regulation may be amended or replaced from time to time, **provided that Advances may be used only for liquidity purposes.**"*

Our current Ministerial Directive provides that advances under the facility may only be used for liquidity purposes, and hence we would prefer to include the qualification.
If this is not acceptable, would you please let us know **by Monday**, as we would need to seek a new Directive, and the timing is very tight given our Minister's vacation schedule.

Paragraph 2
This language should revert back to the original language:

"2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $114,383,131 .40. "

Schedule 3 is the Form of Grid Note to be delivered. The actual grid note is a separate document (adhering to the form of the Grid Note attached in the Schedule, signed and delivered on the effective date of the Amending Agreement prior to any further Advance). Because the Grid Note is updated with each Advance, if it forms part of the Agreement as a Schedule, each update would have to be treated as an amendment. This is not consistent with how the OFA administers its loans and is not consistent with how the OPA/IESO loans have been administered.

Paragraph 3
This has been reverted back to the OFA's original drafting because OFA will not cancel the existing Grid Note until we receive the new one Grid Note is received.
"3. Upon receipt of the new grid promissory note, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO."

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, July 07, 2017 3:08 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: IESO : OFA new FH credit facility

Here is the Clean version which I somehow neglected to attach to the previous email of a few minutes ago – apologies for any inconvenience.
Victor

From: Victor Buza
Sent: July 07, 2017 3:01 PM
To: 'William Tan'; Anthony Martinello
Cc: Sarah Harris; Salman Qadir; Bruno Amara
Subject: RE: IESO : OFA new FH credit facility

Hello all. Please find attached IESO's markup of Amending Agreement #10, together with a clean version.

If you have any questions, please feel free to call me at your convenience at the number below.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: June 27, 2017 10:52 PM
To: Anthony Martinello
Cc: Sarah Harris; Salman Qadir; Bruno Amara; Victor Buza
Subject: FW: IESO : OFA new FH credit facility

Hello Anthony,

Please find the attached Amending Agreement 10. If comments for the FHP Credit Facility is not possible this week, would it be possible to have the Amending Agreement 10 signed along with an updated Resolution of the Board of Directors, Certificate of Incumbency and Delegation of Authority (IESO Statement of Policy) first? This is necessary to reduce the existing credit facility from $975 million to $475 million to eliminate duplicate credit needs.

Thanks,

Will

From: William Tan
Sent: Tuesday, June 27, 2017 10:35 AM
To: 'Anthony.Martinello@ieso.ca' <Anthony.Martinello@ieso.ca>
Cc: 'Victor.Buza@ieso.ca' <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: FW: IESO : OFA new FH credit facility

Good morning Anthony,

As part of our update for the Amending Agreement 10 and new FHP Credit Facility we will require an updated Resolution of the Board of Directors, Certificate of Incumbency and Delegation of Authority (IESO Statement of Policy). Please find the attached Certificate of Incumbency and Delegation of Authority/Statement of Policy as an example. (Delegation of authority outlines responsibilities and level of signing authority). If you have any questions my contact information is on my signature below.

Thanks,

Will

From: William Tan
Sent: Friday, June 23, 2017 5:45 PM
To: 'Anthony.Martinello@ieso.ca' <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; 'Victor.Buza@ieso.ca' <Victor.Buza@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO : OFA new FH credit facility

Hello Anthony,

Please find the attached draft FHP IESO OFA Credit Facility Agreement. Please review and provide your comments. The draft Amending Agreement 10 will follow on Monday.
Have a great weekend.

Will

From: William Tan
Sent: Wednesday, June 21, 2017 3:17 PM
To: 'Anthony.Martinello@ieso.ca' <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>; 'Victor.Buza@ieso.ca' <Victor.Buza@ieso.ca>
Subject: FW: IESO : OFA new FH credit facility

Hello Anthony,

Currently the credit facility agreement is being reviewed by OFA legal for review and comment. Once the recommended changes have been made the draft is then reviewed by MOF legal for review and comment. I expect to have the agreement to you early next week.

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, June 21, 2017 11:25 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO : OFA new FH credit facility

William - any update? Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: June 14, 2017 4:02 PM
To: Anthony Martinello
Cc: Sarah Harris; Salman Qadir
Subject: RE: IESO : OFA new FH credit facility

Hello Anthony,

We will be sending the legal documents early next week.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: William Tan
To: Sarah Harris
Subject: FW: IESO Status of Agreements
Date: Tuesday, October 24, 2017 11:22:26 AM

Hi Sarah,

1. FHP Revolving Credit Facility Agreement 2017-202 Execution Version 5 – Latest version. Lisa recommended that she send it to Victor herself. I will check with Lisa that this has been sent.
2. OFA IESO Amending Agreement No. 10 Execution Version 2 – yesterday, I have raise a couple issues in comparison to the FHP with Lisa. She is currently weighing if changes are necessary to the Amending Agreement. I will follow-up with Lisa the status of this.
3. Grid promissory note for the Amending Agreement 10 – Risa is WFH today. I will notify her the current status of the intercept letter so she may have a grid promissory note balance ready.

Thanks,
Will

From: Sarah Harris
Sent: Tuesday, October 24, 2017 10:18 AM
To: William Tan
Subject: IESO Status of Agreements

Hi Will,
Looks like we may be making some progress on IESO intercept letter
How close are we to execution versions of the FHP draft and amending agreement draft, and is the Prom Note in good shape? Are all signing authorities also in good shape?
Thanks,
Sarah

From: William Tan
To: Sarah Harris
Subject: FW: IESO Status of Agreements
Date: Tuesday, October 24, 2017 11:22:26 AM

Hi Sarah,

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Sarah

From:	William Tan
To:	Sarah Harris
Subject:	FW: IESO Status of Agreements
Date:	Tuesday, October 24, 2017 2:18:23 PM
Attachments:	RE IESO OFA new FH credit facility - Amending Agreement 10.msg

Hello Sarah,
Lisa has already signed-off.
Thanks,
Will

From: Sarah Harris
Sent: Tuesday, October 24, 2017 1:15 PM
To: William Tan
Subject: RE: IESO Status of Agreements
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Form of signing authority is also good?
Sarah

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Sent: Tuesday, October 24, 2017 11:22 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: IESO Status of Agreements
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Thanks,
Will

From: Sarah Harris
Sent: Tuesday, October 24, 2017 10:18 AM
To: William Tan <William.Tan@ofina.on.ca>
Subject: IESO Status of Agreements
Hi Will,
Looks like we may be making some progress on IESO intercept letter
How close are we to execution versions of the FHP draft and amending agreement draft, and is the Prom Note in good shape? Are all signing authorities also in good shape?
Thanks,
Sarah

From: Lisa Stein []
To: William Tan [William.Tan@ofina.on.ca]
CC: Sarah Harris [Sarah.Harris@ofina.on.ca]; Jean-Francois Beaupre [Jean-Francois.Beaupre@ofina.on.ca]; Kelly Listoe [Kelly.Listoe@ofina.on.ca]
Subject: RE: IESO : OFA new FH credit facility - Amending Agreement 10
Date: Wednesday, July 26, 2017 09:33:59

I don't have any comments

From: William Tan
Sent: Wednesday, July 26, 2017 8:47 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>
Subject: FW: IESO : OFA new FH credit facility - Amending Agreement 10

Hello Lisa,

Please find the Resolution of the Board of Directors for FHP and Certificate of Incumbency for FHP & Amending Agreement 10. I have reviewed the documents and have no comments. Please let me know if you have any concerns.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, July 25, 2017 3:26 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: IESO : OFA new FH credit facility - Amending Agreement 10

Hi Will et al – per our discussion, please find attached:

1. The redacted certified resolution of the board of directors of IESO authorizing both the Fair Hydro Plan Credit Agreement and the amendment to the existing OFA line, and authorizing our CFO to finalize, execute and deliver both agreements; and
2. A draft incumbency certificate.

Let me know if you have any questions or comments.

Regards,
Victor

From: Victor Buza
Sent: July 25, 2017 9:41 AM
To: William Tan; Anthony Martinello

Cc: Sarah Harris; Kelly Listoe; Lisa Stein
Subject: Re: IESO : OFA new FH credit facility - Amending Agreement 10

Hi Will - a couple of small items I am noticing on this draft of Amending Agreement #10 - not sure who is handling the legal drafting details, but it would be helpful if we could do a quick Legal call on this rather than send drafts back and forth - we should be able to deal with it quicker that way.

Also, at the same time, I'd like to touch base on the authorizing documents - the Certified IESO Board Resolution and Incumbency Certificate are ready for your review in draft form, but before sending those over, I would like to briefly discuss the Delegation of Authority document you mentioned since I believe it may not apply here.

I am not in the office today so please give me a call at 905-929-1434 this morning or between 2:00 and 5:30 this afternoon - or let me know who to call at what number.

Thanks
Victor

From: William Tan <William.Tan@ofina.on.ca>
Sent: Monday, July 24, 2017 11:05 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Kelly Listoe; Lisa Stein
Subject: RE: IESO : OFA new FH credit facility - Amending Agreement 10

Thank you gentlemen. For your convenience please find the revised amending agreement.

Other than paragraphs 2 & 3, the draft tracks only new changes to the Amending Agreement that the OFA is proposing to make to IESO's July 7 draft, most are simply true up changes to align definitions, etc. The only substantive issue is the change to paragraph 4 confirming the limitation on the use of proceeds.

Please let me know if you require anything further or if you have questions.

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, July 24, 2017 11:02 AM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>
Subject: RE: IESO : OFA new FH credit facility - Amending Agreement 10

Hi Will – we are ok with that language. I will proceed to revise the document accordingly.
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: July 24, 2017 10:46 AM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Kelly Listoe
Subject: RE: IESO : OFA new FH credit facility - Amending Agreement 10

Good morning Anthony,

I've had a chance to speak with Victor on Friday to try to clear up any confusion.
Victor did not have any major concerns regarding Paragraph 2 and 3. But, deferred to you for Paragraph 4.
If the "Use of Proceeds" section is not acceptable please let me know by **noon**. So that I may take action to seek a new Directive and the timing is very tight given our Ministers' vacation schedule.

Thanks,

Will

From: William Tan
Sent: Friday, July 21, 2017 2:25 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: IESO : OFA new FH credit facility - Amending Agreement 10

Hello Victor,

We apologize for the delay in replying back on the draft amending agreement. The proposed change regarding the Use of Proceeds required internal discussions to work through the proposed wording. I will send you a revised mark-up next week, but would ask if IESO is able to agree to the following key items:

Paragraph 4 -USE OF PROCEEDS:
Would IESO be able to agree the following addition to IESO's proposed "Use of Proceeds":

*"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the Electricity Act, 1998, as such regulation may be amended or replaced from time to time, **provided that Advances may be used only for liquidity purposes.**"*

Our current Ministerial Directive provides that advances under the facility may only be used for liquidity purposes, and hence we would prefer to include the qualification.
If this is not acceptable, would you please let us know **by Monday**, as we would need to seek a new Directive, and the timing is very tight given our Minister's vacation schedule.

Paragraph 2
This language should revert back to the original language:

"2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $114,383,131 .40. "

Schedule 3 is the Form of Grid Note to be delivered. The actual grid note is a separate document (adhering to the form of the Grid Note attached in the Schedule, signed and delivered on the effective date of the Amending Agreement prior to any further Advance). Because the Grid Note is updated with each Advance, if it forms part of the Agreement as a Schedule, each update would have to be treated as an amendment. This is not consistent with how the OFA administers its loans and is not consistent with how the OPA/IESO loans have been administered.

Paragraph 3
This has been reverted back to the OFA's original drafting because OFA will not cancel the existing Grid Note until we receive the new one Grid Note is received.
"3. Upon receipt of the new grid promissory note, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO."

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, July 07, 2017 3:08 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: IESO : OFA new FH credit facility

Here is the Clean version which I somehow neglected to attach to the previous email of a few minutes ago – apologies for any inconvenience.
Victor

From: Victor Buza
Sent: July 07, 2017 3:01 PM
To: 'William Tan'; Anthony Martinello
Cc: Sarah Harris; Salman Qadir; Bruno Amara
Subject: RE: IESO : OFA new FH credit facility

Hello all. Please find attached IESO's markup of Amending Agreement #10, together with a clean version.

If you have any questions, please feel free to call me at your convenience at the number below.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: June 27, 2017 10:52 PM
To: Anthony Martinello
Cc: Sarah Harris; Salman Qadir; Bruno Amara; Victor Buza
Subject: FW: IESO : OFA new FH credit facility

Hello Anthony,

Please find the attached Amending Agreement 10. If comments for the FHP Credit Facility is not possible this week, would it be possible to have the Amending Agreement 10 signed along with an updated Resolution of the Board of Directors, Certificate of Incumbency and Delegation of Authority (IESO Statement of Policy) first? This is necessary to reduce the existing credit facility from $975 million to $475 million to eliminate duplicate credit needs.

Thanks,

Will

From: William Tan
Sent: Tuesday, June 27, 2017 10:35 AM
To: 'Anthony.Martinello@ieso.ca' <Anthony.Martinello@ieso.ca>
Cc: 'Victor.Buza@ieso.ca' <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: FW: IESO : OFA new FH credit facility

Good morning Anthony,

As part of our update for the Amending Agreement 10 and new FHP Credit Facility we will require an updated Resolution of the Board of Directors, Certificate of Incumbency and Delegation of Authority (IESO Statement of Policy). Please find the attached Certificate of Incumbency and Delegation of Authority/Statement of Policy as an example. (Delegation of authority outlines responsibilities and level of signing authority). If you have any questions my contact information is on my signature below.

Thanks,

Will

From: William Tan
Sent: Friday, June 23, 2017 5:45 PM
To: 'Anthony.Martinello@ieso.ca' <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; 'Victor.Buza@ieso.ca' <Victor.Buza@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO : OFA new FH credit facility

Hello Anthony,

Please find the attached draft FHP IESO OFA Credit Facility Agreement. Please review and provide your comments. The draft Amending Agreement 10 will follow on Monday.
Have a great weekend.

Will

From: William Tan
Sent: Wednesday, June 21, 2017 3:17 PM
To: 'Anthony.Martinello@ieso.ca' <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>; 'Victor.Buza@ieso.ca' <Victor.Buza@ieso.ca>
Subject: FW: IESO : OFA new FH credit facility

Hello Anthony,

Currently the credit facility agreement is being reviewed by OFA legal for review and comment. Once the recommended changes have been made the draft is then reviewed by MOF legal for review and comment. I expect to have the agreement to you early next week.

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, June 21, 2017 11:25 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO : OFA new FH credit facility

William - any update? Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: June 14, 2017 4:02 PM
To: Anthony Martinello
Cc: Sarah Harris; Salman Qadir
Subject: RE: IESO : OFA new FH credit facility

Hello Anthony,

We will be sending the legal documents early next week.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From:	Sarah Harris
To:	William Tan
Subject:	FW: IESO and intercept
Date:	Wednesday, September 20, 2017 11:41:21 AM
Attachments:	IESO-OFA - FHP LoC - Intercept_Sep19-2017.docx

From: John Kim
Sent: Wednesday, September 20, 2017 8:09 AM
To: Sarah Harris ; Sarah Neville ; Lisa Stein
Cc: Anna Strathy
Subject: RE: IESO and intercept

Hi,
Here's the note Ron shared with Steen Hume at Energy.
Thanks,
John

From: Sarah Harris
Sent: Tuesday, September 19, 2017 12:16 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept

Hi Sarah N. and John,
I'm also available during this timeframe.
Thanks,
Sarah H.

From: Sarah Neville
Sent: Tuesday, September 19, 2017 12:03 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept

OK – I am free any time before 3pm.
Thanks
Sarah

From: John Kim
Sent: Tuesday, September 19, 2017 12:00 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept

Thanks, I would like us to decide on a path forward before engaging or informing IESO. Let's aim to meet this afternoon.

From: Sarah Neville
Sent: Tuesday, September 19, 2017 11:50 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein

<Lisa.Stein@ofina.on.ca>
Subject: IESO and intercept
Hi John –
I met with Gadi this morning after we spoke. He confirmed that the Directive will not be forthcoming from the Minister. We determined, as you had flagged for us, that the only approach is to reinsert the intercept provision back into the agreement because this complies with the OFA Lending Policy. The other documentation requirements of the policy will also need to be met with respect to the IESO and Ministry of Energy agreeing to the concept of the intercept.
Given that there is currently no appropriation authority for the IESO, we would propose, in lieu of an MOU to have a simple tripartite letter (OFA, IESO, and Energy) wherein all parties agree that in the event funds may in the future be appropriated, IESO and Energy agree to the application of the intercept of such funds (in accordance with the OFA's Policy).
There will need to be some high level discussions at IESO and Energy to make sure that there is the buy-in for this approach. How would you suggest the OFA move this forward?
Please let me know if you have questions or would like to discuss further.
Thanks very much,
Sarah
Sarah Neville
Director, Legal Branch
Ontario Financing Authority
1 Dundas Street West, Suite 1200
Toronto ON M7A 1Y7
Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

BACKGROUND NOTE
OFA -- IESO CREDIT FACILITY & THE INTERCEPT PROVISION REQUIRED UNDER THE OFA'S LENDING POLICY

The IESO had requested a new revolving credit facility in an amount of up to $2 billion from the OFA to support its role in the implementation and participation under the *Ontario Fair Hydro Plan Act, 2017* ("OFHP Act").

On June 29, 2017, the OFA received a directive from the Minister to accommodate the IESO's request and provide a revolving credit facility to the IESO in an amount of up to $2 billion (the "OFHP Credit Facility").

Pursuant to the OFA Lending Policy, the OFA is required to include an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis, unless otherwise directed by the Minister of Finance [or Treasury Board or Cabinet].

In accordance with section 23 of the *Capital Investment Plan Act, 1993* ("CIPA"), the intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body, amounts equal to any amounts the public body fails to pay to the OFA under a loan agreement.

Per the requirements of the OFA's Lending Policy, the OFA has reached out to the Ministry of Energy and IESO to fulfill the requirement to include an intercept provision in credit facility agreements with the IESO.

- The OFA Lending Policy, as approved by the OFA Board, provides the following requirement for unsecured loans to public bodies under CIPA:

  > Except where otherwise directed by the Minister of Finance, Treasury Board or Cabinet, and prior to the OFA making any loan to a public body, the OFA will [e]nsure that it has an appropriate intercept in place for the loan.

- The OFA Lending Policy also includes the following intercept provision requirement:

  > The public body and its responsible ministry are to agree that the Minister of Finance is entitled to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts that the public body fails to pay to the OFA on account of indebtedness under its loan agreement with the OFA.

- The new FHP credit facility, with the required intercept clause, will enable the IESO to fulfil its commitments under the OFHP Act as the IESO will have to finance for a short or medium term period the funding shortfalls in the implementation of the OFHP Act, as well as the continued implementation of the market support function for the IESO through the $475 million facility (to be amended from the current $975 million facility) which will also require the intercept clause to be added.

- Including an intercept provision in the credit facility agreements with the IESO is expected to have no practical impact as the IESO receives no appropriations from the Province of Ontario [Energy to confirm], but would bring the lending facilities onside with the requirements of the OFA Lending Policy and be consistent with CIPA.

Electricity Finance Branch / Corporate and Electricity Finance Division / Ontario Financing Authority
September 19, 2017

From:	Sarah Harris
To:	William Tan
Subject:	FW: IESO and intercept
Date:	Wednesday, September 20, 2017 11:35:30 AM

From: John Kim
Sent: Wednesday, September 20, 2017 10:53 AM
To: Sarah Neville ; Sarah Harris ; Lisa Stein
Cc: Anna Strathy
Subject: RE: IESO and intercept

FYI, just connected with IESO staff and gave them the heads up.
For Anna….you may want to flag to Gadi that IESO may bring this up at tomorrow's meeting.

From: John Kim
Sent: Wednesday, September 20, 2017 9:42 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO and intercept

Hi Sarah,
No feedback from IESO. I am going to send IESO a quick email this morning. The note was drafted on that basis.
John

From: Sarah Neville
Sent: Wednesday, September 20, 2017 9:40 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO and intercept

Hi John – Thanks for this. The note says the OFA has also reached out to IESO. Was there any feedback from them?
Sarah

From: John Kim
Sent: Wednesday, September 20, 2017 8:09 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO and intercept

Hi,
Here's the note Ron shared with Steen Hume at Energy.
Thanks,
John

From: Sarah Harris
Sent: Tuesday, September 19, 2017 12:16 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>

Subject: RE: IESO and intercept

Hi Sarah N. and John,

I'm also available during this timeframe.

Thanks,

Sarah H.

From: Sarah Neville
Sent: Tuesday, September 19, 2017 12:03 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept

OK – I am free any time before 3pm.

Thanks

Sarah

From: John Kim
Sent: Tuesday, September 19, 2017 12:00 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept

Thanks, I would like us to decide on a path forward before engaging or informing IESO. Let's aim to meet this afternoon.

From: Sarah Neville
Sent: Tuesday, September 19, 2017 11:50 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: IESO and intercept

Hi John –

I met with Gadi this morning after we spoke. He confirmed that the Directive will not be forthcoming from the Minister. We determined, as you had flagged for us, that the only approach is to reinsert the intercept provision back into the agreement because this complies with the OFA Lending Policy. The other documentation requirements of the policy will also need to be met with respect to the IESO and Ministry of Energy agreeing to the concept of the intercept.

Given that there is currently no appropriation authority for the IESO, we would propose, in lieu of an MOU to have a simple tripartite letter (OFA, IESO, and Energy) wherein all parties agree that in the event funds may in the future be appropriated, IESO and Energy agree to the application of the intercept of such funds (in accordance with the OFA's Policy).

There will need to be some high level discussions at IESO and Energy to make sure that there is the buy-in for this approach. How would you suggest the OFA move this forward?

Please let me know if you have questions or would like to discuss further.

Thanks very much,

Sarah

Sarah Neville
Director, Legal Branch

Ontario Financing Authority
1 Dundas Street West, Suite 1200
Toronto ON M7A 1Y7
Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

From:	Sarah Harris
To:	Opal Kandelas; William Tan
Subject:	FW: IESO and intercept
Date:	Tuesday, September 19, 2017 12:05:40 PM

Hi Opal and Will,
Please see attached re: IESO directive. In short, intercept provision will need to go into the agreement because no directive is forthcoming. I will liaise with Sarah and John on this.
Sarah

From: John Kim
Sent: Tuesday, September 19, 2017 12:00 PM
To: Sarah Neville
Cc: Anna Strathy ; Sarah Harris ; Lisa Stein
Subject: RE: IESO and intercept
Thanks, I would like us to decide on a path forward before engaging or informing IESO. Let's aim to meet this afternoon.

From: Sarah Neville
Sent: Tuesday, September 19, 2017 11:50 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: IESO and intercept
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There will need to be some high level discussions at IESO and Energy to make sure that there is the buy-in for this approach. How would you suggest the OFA move this forward?
Please let me know if you have questions or would like to discuss further.
Thanks very much,
Sarah
Sarah Neville
Director, Legal Branch
Ontario Financing Authority
1 Dundas Street West, Suite 1200
Toronto ON M7A 1Y7
Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

Subject: FW: IESO and intercept
Date: Tuesday, September 19, 2017 12:04:13 PM

Hi Opal and Will,
Please see attached re: IESO directive and the 'path' forward. In short, intercept provision will need to go into the agreement. Sarah Neville is meeting

---

From: Sarah Neville
Sent: Tuesday, September 19, 2017 12:03 PM
To: John Kim
Cc: Anna Strathy ; Sarah Harris ; Lisa Stein
Subject: RE: IESO and intercept
OK – I am free any time before 3pm.
Thanks
Sarah

From: John Kim
Sent: Tuesday, September 19, 2017 12:00 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept
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From: Sarah Neville
Sent: Tuesday, September 19, 2017 11:50 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: IESO and intercept
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There will need to be some high level discussions at IESO and Energy to make sure that there is the buy-in for this approach. How would you suggest the OFA move this forward?
Please let me know if you have questions or would like to discuss further.
Thanks very much,
Sarah
Sarah Neville
Director, Legal Branch

Ontario Financing Authority
1 Dundas Street West, Suite 1200
Toronto ON M7A 1Y7
Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

To: Opal Kandelas; William Tan
Subject: FW: IESO and intercept
Date: Tuesday, September 19, 2017 12:03:49 PM

Hi Opal and Will,
Please see attached re: IESO directive and the 'path' forward. In short, intercept provision will need to go into the agreement. Sarah Neville is meeting

---

From: John Kim
Sent: Tuesday, September 19, 2017 12:00 PM
To: Sarah Neville
Cc: Anna Strathy ; Sarah Harris ; Lisa Stein
Subject: RE: IESO and intercept
Thanks, I would like us to decide on a path forward before engaging or informing IESO. Let's aim to meet this afternoon.

From: Sarah Neville
Sent: Tuesday, September 19, 2017 11:50 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: IESO and intercept
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Ontario Financing Authority
1 Dundas Street West, Suite 1200
Toronto ON M7A 1Y7
Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

From:	Sarah Harris
To:	William Tan
Subject:	FW: IESO and intercept
Date:	Wednesday, September 20, 2017 11:41:21 AM
Attachments:	IESO-OFA - FHP LoC - Intercept_Sep19-2017.docx

From: John Kim
Sent: Wednesday, September 20, 2017 8:09 AM
To: Sarah Harris ; Sarah Neville ; Lisa Stein
Cc: Anna Strathy
Subject: RE: IESO and intercept

Hi,
Here's the note Ron shared with Steen Hume at Energy.
Thanks,
John

From: Sarah Harris
Sent: Tuesday, September 19, 2017 12:16 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept

Hi Sarah N. and John,
I'm also available during this timeframe.
Thanks,
Sarah H.

From: Sarah Neville
Sent: Tuesday, September 19, 2017 12:03 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept

OK – I am free any time before 3pm.
Thanks
Sarah

From: John Kim
Sent: Tuesday, September 19, 2017 12:00 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept

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1 Dundas Street West, Suite 1200
Toronto ON M7A 1Y7
Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

BACKGROUND NOTE
OFA -- IESO CREDIT FACILITY & THE INTERCEPT PROVISION REQUIRED UNDER THE OFA'S LENDING POLICY

The IESO had requested a new revolving credit facility in an amount of up to $2 billion from the OFA to support its role in the implementation and participation under the *Ontario Fair Hydro Plan Act, 2017* ("OFHP Act").

On June 29, 2017, the OFA received a directive from the Minister to accommodate the IESO's request and provide a revolving credit facility to the IESO in an amount of up to $2 billion (the "OFHP Credit Facility").

Pursuant to the OFA Lending Policy, the OFA is required to include an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis, unless otherwise directed by the Minister of Finance [or Treasury Board or Cabinet].

In accordance with section 23 of the *Capital Investment Plan Act, 1993* ("CIPA"), the intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body, amounts equal to any amounts the public body fails to pay to the OFA under a loan agreement.

Per the requirements of the OFA's Lending Policy, the OFA has reached out to the Ministry of Energy and IESO to fulfill the requirement to include an intercept provision in credit facility agreements with the IESO.

- The OFA Lending Policy, as approved by the OFA Board, provides the following requirement for unsecured loans to public bodies under CIPA:

  > Except where otherwise directed by the Minister of Finance, Treasury Board or Cabinet, and prior to the OFA making any loan to a public body, the OFA will [e]nsure that it has an appropriate intercept in place for the loan.

- The OFA Lending Policy also includes the following intercept provision requirement:

  > The public body and its responsible ministry are to agree that the Minister of Finance is entitled to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts that the public body fails to pay to the OFA on account of indebtedness under its loan agreement with the OFA.

- The new FHP credit facility, with the required intercept clause, will enable the IESO to fulfil its commitments under the OFHP Act as the IESO will have to finance for a short or medium term period the funding shortfalls in the implementation of the OFHP Act, as well as the continued implementation of the market support function for the IESO through the $475 million facility (to be amended from the current $975 million facility) which will also require the intercept clause to be added.

- Including an intercept provision in the credit facility agreements with the IESO is expected to have no practical impact as the IESO receives no appropriations from the Province of Ontario [Energy to confirm], but would bring the lending facilities onside with the requirements of the OFA Lending Policy and be consistent with CIPA.

Electricity Finance Branch / Corporate and Electricity Finance Division / Ontario Financing Authority
September 19, 2017

From:	Sarah Harris
To:	William Tan
Subject:	FW: IESO credit facility - Intercept Letter
Date:	Tuesday, October 24, 2017 10:15:35 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

---

From: John Kim
Sent: Tuesday, October 24, 2017 10:15 AM
To: Lisa Stein
Cc: Sarah Neville ; Sarah Harris ; William Tan ; Gavin He
Subject: FW: IESO credit facility - Intercept Letter

Hi Lisa,

Pls. take a look. Ron had some edits which we reflected to IESO's version.

Thanks,

John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 9:54 AM
To: John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility - Intercept Letter

Hi John – per our discussion yesterday, attached is a markup of the draft Intercept Letter, which now shows IESO's changes (as well as those previously provided by MOE).

Let me know if you have any questions.

Regards,

Victor

416-969-6079

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,

Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,
Do you have time for a quick call this morning?
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

Moody's (Gavin MacFarlane) has verbally raised their concern to me that the new $2B facility should be in place this month – main concern is that the IESO may/is rapidly burning through the $975M capacity at about $200M-$250M/month. Also, the first sale to Financing Entity is not expected until October(ish).
I am currently at about $405M utilized.
Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.
Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,
I am currently working on your request for the two facilities with the OFA.
I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.
I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.
Thanks,
John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

I am writing in relation to the Independent Electricity System Operator's (IESO) request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an~~The~~ intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

The ~~OFA,~~ IESO and the Ministry of Energy ("ENERGY confirm and the OFA acknowledges ~~and confirm~~ that at this time there are no amounts appropriated by the Legislature for payment to the IESO [Energy to confirm] by ENERGY and the intent of such intercept~~-~~ provision is that it would~~-~~ apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

Commented [ESP1]: Defer to Corporate?

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement")~~,~~ on an unsecured basis, the OFA requires ~~the Ministry of Energy ("~~ENERGY~~")~~ and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing [$975 million] credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and ENERGY agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):
    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and ENERGY agree that, in the event that the Legislature appropriates any funds for payment by ENERGY to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision"). Terms relating to the intercept provision shall also be separately included in the Loan Agreements.
    - If~~Under~~ the intercept provision is exercised, ~~which shall be included in the Loan Agreements,~~ the IESO ~~also~~ agrees that any notice from the OFA to the Minister of Finance in relation to its failure to make a payment that is due under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

DRAFT

- Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with ENERGY and seek ENERGY's support in getting the IESO to pay the amounts owing to OFA within a reasonable cure period.

- Upon receipt of notice from the OFA that the IESO has failed to make one or more payments owing to it in accordance with the provisions of a Loan Agreement, ENERGY will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO by ENERGY, including the intended purpose and expected timing of such payments to be made by ENERGY. Upon request, ENERGY will provide similar information to the Minister of Finance.

- ENERGY acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment by ENERGY to the IESO, ENERGY will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

- For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through any other agencies, bodies or other means.

Formatted: List Paragraph, No bullets or numbering

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

DRAFT

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To:	Lisa Stein
Cc:	Sarah Neville; Sarah Harris; William Tan; Gavin He
Subject:	FW: IESO credit facility - Intercept Letter
Date:	Tuesday, October 24, 2017 10:15:23 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

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Sent: Tuesday, October 24, 2017 9:54 AM

To: John Kim ; Anthony Martinello

Cc: Sarah Harris ; Sarah Neville

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Call me to discuss if needed.

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Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

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Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

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John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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Commented [ESP1]: Defer to Corporate?

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DRAFT

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DRAFT

From:	John Kim
To:	Lisa Stein
Cc:	Sarah Neville; Sarah Harris; William Tan; Gavin He
Subject:	FW: IESO credit facility - Intercept Letter
Date:	Tuesday, October 24, 2017 10:15:23 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi Lisa,

Pls. take a look. Ron had some edits which we reflected to IESO's version.

Thanks,

John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Tuesday, October 24, 2017 9:54 AM

To: John Kim ; Anthony Martinello

Cc: Sarah Harris ; Sarah Neville

Subject: RE: IESO credit facility - Intercept Letter

Hi John – per our discussion yesterday, attached is a markup of the draft Intercept Letter, which now shows IESO's changes (as well as those previously provided by MOE).

Let me know if you have any questions.

Regards,

Victor

416-969-6079

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,

Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, September 20, 2017 9:58 AM

To: John Kim <John.Kim@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>

Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,

Do you have time for a quick call this morning?

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

Moody's (Gavin MacFarlane) has verbally raised their concern to me that the new $2B facility should be in place this month – main concern is that the IESO may/is rapidly burning through the $975M capacity at about $200M-$250M/month. Also, the first sale to Financing Entity is not expected until October(ish).

I am currently at about $405M utilized.

Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.

Appreciate your efforts to co-ordinate a timely approval.

Call me to discuss if needed.

Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,

I am currently working on your request for the two facilities with the OFA.

I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.

I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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DRAFT

From:	Sarah Harris
To:	William Tan
Subject:	FW: IESO credit facility - Intercept Letter
Date:	Tuesday, October 24, 2017 10:13:32 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24.docx

FYI

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 9:54 AM
To: John Kim ; Anthony Martinello
Cc: Sarah Harris ; Sarah Neville
Subject: RE: IESO credit facility - Intercept Letter

Hi John – per our discussion yesterday, attached is a markup of the draft Intercept Letter, which now shows IESO's changes (as well as those previously provided by MOE).

Let me know if you have any questions.

Regards,

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416-969-6079

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Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

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Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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DRAFT

From:	Sarah Harris
To:	William Tan
Subject:	FW: IESO credit facility - Intercept Letter
Date:	Tuesday, October 24, 2017 10:13:32 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24.docx

FYI

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 9:54 AM
To: John Kim ; Anthony Martinello
Cc: Sarah Harris ; Sarah Neville
Subject: RE: IESO credit facility - Intercept Letter

Hi John – per our discussion yesterday, attached is a markup of the draft Intercept Letter, which now shows IESO's changes (as well as those previously provided by MOE).

Let me know if you have any questions.

Regards,

Victor

416-969-6079

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,

Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,

Do you have time for a quick call this morning?

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

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I am currently at about $405M utilized.
Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.
Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,
I am currently working on your request for the two facilities with the OFA.
I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.
I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.
Thanks,
John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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The OFA, IESO and the Ministry of Energy ("ENERGY") ~~-~~acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for payment to the IESO [Energy to confirm] by ENERGY and the intent of such intercept~~-~~ provision is that it would~~-~~ apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

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From:	Sarah Harris
To:	William Tan
Subject:	FW: IESO credit facility - Intercept Letter
Date:	Tuesday, October 24, 2017 10:15:35 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

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From: John Kim
Sent: Tuesday, October 24, 2017 10:15 AM
To: Lisa Stein
Cc: Sarah Neville ; Sarah Harris ; William Tan ; Gavin He
Subject: FW: IESO credit facility - Intercept Letter

Hi Lisa,

Pls. take a look. Ron had some edits which we reflected to IESO's version.

Thanks,

John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 9:54 AM
To: John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
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Let me know if you have any questions.

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Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

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Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

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From:	Sarah Harris
To:	Mike Manning; Opal Kandelas
Cc:	Jean-Francois Beaupre; William Tan
Subject:	FW: IESO credit facility
Date:	Friday, October 20, 2017 2:00:32 PM

FYI…Further IESO update.

From: John Kim
Sent: Friday, October 20, 2017 1:56 PM
To: Tobias P. Whitfield (MOF) ; Sarah Neville ; Lisa Stein ; William Tan ; Sarah Harris
Cc: Anna Strathy ; Francisco Chinchon
Subject: RE: IESO credit facility

Thanks everyone for joining the chat on short notice and also to Francisco for helping out. And sorry, didn't mean to leave out Sarah H. in my email this morning.

One of the takeaways from the meeting for me was that we need to let IESO know within reasonable timeframe that amending the existing facilities at any point would require appropriate approvals, likely involving a Directive and that we cannot actively or passively acquiesce [not sure if this is the appropriate word] by not responding. That it would require appropriate approvals when IESO has reasonably concluded its discussion on the matter. I just sent that in an email response following a phone call and also wanted to flag that IESO is expecting the next draft on Wednesday so I think we are looking at that as when we will have a sense of where the two entities stand.

All said, we are working on the Directive option in parallel.

John

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Friday, October 20, 2017 10:15 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

I agree that Sarah's question is an important one. What is the purpose of the security interest? I didn't know that the Trust was going to be a creditor of IESO?

Is there some background on that issue?

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Sarah Neville [mailto:Sarah.Neville@ofina.on.ca]
Sent: October 20, 2017 10:13 AM
To: Stein, Lisa (OFA); Kim, John (OFA); Tan, William (OFA)
Cc: Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

I agree with Lisa re intercept.

As a sidebar, not an OFA issue and way beyond my expertise, but is there any concern/discussion that the Trust, if given a first priority over ALL the asset of the IESO could potentially enforce a security interest and liquidate a significant entity responsible for overseeing the supply of electricity into Ontario? Is anyone weighing in on this question -IESO/MOE?

Sarah

From: Lisa Stein
Sent: Friday, October 20, 2017 10:02 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: RE: IESO credit facility

If the IESO gives the Trust a 1st priority over all IESO assets, it follows that the intercept provisions as drafted in the proposed credit facility agreement will not work. This further strengthens the case for a directive.
I've copied Toby from MOF Legal as a heads up.
Lisa

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Hi,
Pls. take a look at this once again and let me know if you have any comments. Thus far, IESO has not provided any edits but seem to be indicating that they are getting close to being prepared to sign.
IESO has indicated the following and I will ask you to give it some thought:
"DRAFT - The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Thanks,
John

From: John Kim
Sent: Friday, October 06, 2017 10:16 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.
John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: IESO credit facility

John,

I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft). I am still working to determine who will sign for Energy and I'll let you know shortly. Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility

Hi Tom,

Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.

Thanks,

John

From: John Kim
Sent: Monday, September 25, 2017 2:03 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: IESO credit facility

My apologies….this email was sent to the wrong address.

From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

Hi Tom,

Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.

We are available for a chat today to address any questions or comments.

Thanks,

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	John Kim
To:	Lisa Stein; Sarah Harris; William Tan; Sarah Neville
Cc:	Anna Strathy
Subject:	FW: IESO credit facility
Date:	Friday, October 06, 2017 10:16:24 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean.docx

Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.
John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM
To: John Kim
Cc: Thouin, Alena (ENERGY)
Subject: RE: IESO credit facility

John,
I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft). I am still working to determine who will sign for Energy and I'll let you know shortly.
Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility

Hi Tom,
Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.
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From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM
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We are available for a chat today to address any questions or comments.
Thanks,
John
Y. John Kim

Director, Electricity Finance Branch
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e-mail: john.kim@ofina.on.ca
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I am writing in relation to the Independent Electricity System Operator's (IESO) request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement. The OFA, IESO and the Ministry of Energy ("ENERGY~~MOE~~") acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for the IESO [Energy to confirm] and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment to the IESO in the future.

Commented [ESP1]: Defer to Corporate?

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), on an unsecured basis, the OFA requires the Ministry of Energy ("ENERGY~~MOE~~") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and ENERGY~~MOE~~ agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):
    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and ENERGY~~MOE~~ agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").
    - Under the intercept provision, which shall be included in the Loan Agreements, the IESO also agrees that any notice from the OFA to the Minister of Finance in relation to its failure to pay under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.
    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with ENERGY~~MOE~~ and seek

DRAFT

ENERGY~~MOE~~'s support in getting the IESO to pay the amounts owing within a reasonable cure period.

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, ENERGY~~MOE~~ will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and expected timing of such payments to be made by ENERGY~~MOE~~. Upon request, ENERGY~~MOE~~ will provide similar information to the Minister of Finance.

- ENERGY~~MOE~~ acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, ENERGY~~MOE~~ will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

DRAFT

From:	John Kim
To:	Lisa Stein; Sarah Harris; William Tan; Sarah Neville
Cc:	Anna Strathy
Subject:	FW: IESO credit facility
Date:	Friday, October 06, 2017 10:16:24 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean.docx

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Sent: Friday, October 06, 2017 10:07 AM
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Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility

Hi Tom,
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Thanks,
John

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Subject: IESO credit facility

Hi Tom,
Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.
We are available for a chat today to address any questions or comments.
Thanks,
John
Y. John Kim

Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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Commented [ESP1]: Defer to Corporate?

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DRAFT

ENERGY~~MOE~~'s support in getting the IESO to pay the amounts owing within a reasonable cure period.

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- ENERGY~~MOE~~ acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, ENERGY~~MOE~~ will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

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DRAFT

From:	Sarah Harris
To:	Opal Kandelas
Subject:	FW: IESO credit facility
Date:	Tuesday, October 03, 2017 11:52:06 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean.docx

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From: John Kim
Sent: Tuesday, September 26, 2017 4:03 PM
To: Lisa Stein ; Tobias P. Whitfield (MOF) ; Sarah Neville
Cc: Sarah Harris ; Anna Strathy
Subject: RE: IESO credit facility

For Toby's information, attached the draft letter agreement.

From: John Kim
Sent: Tuesday, September 26, 2017 4:03 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi Lisa, Toby,
I want to clarify that based on the approach we are moving forward with, the understanding of the OFA Lending Policy should be such that where there are no appropriation by Legislature, there is nothing contemplated by the OFA Lending Policy to intercept. Some of us in CEFD are a bit concerned about the wording 'carve-outs' and 'perhaps' below. I think Toby referred to 'carve-outs' to refer to exceptions to what is subject to the intercept. With the draft letter agreement, we are taking a position that there is nothing to intercept and that we are agreeing to put the intercept clause in as in the future there could be appropriations by Legislature for the IESO at which point, it would become necessary in the future which would be a prudent thing to have.
I was getting Ron in the loop as potentially ready to manage the process with OPG.
Let me know pls. if I am off base on any of the above.
John

From: Lisa Stein
Sent: Tuesday, September 26, 2017 11:34 AM
To: John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

On p. 3, item #6 under "Conditions Precedent", the OFA Lending Policy provides that the OFA must ensure that it has an "appropriate" intercept in place. While the intercept wording in the Policy itself does not provide flexibility (as noted by Toby), perhaps this provision allows for 'carve-outs' in situations where the operation of the intercept would not be appropriate (such as those outlined by John below)?
Lisa

From: John Kim
Sent: Tuesday, September 26, 2017 11:24 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Neville

<Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi,

I'm happy to organize a call among us, if there is a need for it.

In an earlier note when we were seeking the Intercept Exemption Directive, we had the following bullets as part of the rationale section:

- While the IESO settlements system for the electricity sector may facilitate the flow of appropriations of the Ministry of Energy for energy-related programs such as the Ontario Rebate for Electricity Consumers (OREC), the Rural or Remote Rate Protection Program (RRRP), the Ontario Electricity Support Program (OESP) etc., these payments are for the benefit of various electricity consumers.
- Intercepting these program specific payments, which are appropriated by the Legislature for the Ministry of Energy, under which the IESO may only be providing a conduit to local distribution companies under the IESO settlement system to provide benefits to ratepayers, in order to recover loan payments would not be in alignment with the wording or intent of the OFA's Lending Policy.

Would these not relate to the carve-outs that Toby is referring to? Let me know pls. if I am mis-interpreting things.

John

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Tuesday, September 26, 2017 11:01 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Although I am sympathetic to Anthony's concerns, I am not sure that the OFA lending policy leaves room for carve-outs for what is subject to the intercept.

Sarah and Lisa, do you see scope for doing so?

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 10:44 AM
To: Neville, Sarah (OFA); Stein, Lisa (OFA)
Cc: Harris, Sarah (OFA); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

Anthony had very cursory comments along two points – some concern expressed by Stikeman and Elliott about priority over payments and that they have some MOECC dealings related to Cap and Trade(?). I mentioned to him that the intent is not to cover anything other than appropriation for IESO's own operational funding and that happy to receive edits to cover such concerns.

John

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:37 AM

To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: RE: IESO credit facility

Hi –

I just spoke with Toby (I've copied him as an FYI) and he flagged that he doesn't know why IESO would need to share this with OPG in the first instance. The only issue/reason we could identify was that it may have something to do with the purchase by OPG of the "asset" (I'm using quotation marks because I don't know anything about this transaction or its structure other than how it is referred) from IESO and making sure that the "asset" is free of encumbrances. IESO may have reps or warranties in its dealings with OPG to this effect, and, I am guessing, but this may have been part of the rationale with respect to concerns that IESO had in earlier versions of the drafting in regard to definitions of "permitted liens" and ranking of debt. Our advice is to reach out to IESO and try to ascertain the reason for the request (John, as Anthony called you, perhaps you could call him back with this request?)

I understand that we have been treating this loan as confidential, and OFA can waive confidentiality and allow disclosure to OPG (if this route is agree to I would recommend that disclosure be made by IESO on a confidential basis) but the risk/caution is that adding more layers outside of the immediate parties to the intercept (which now includes MOE), will add further delay and complexity in what is essentially an administrative issue and as noted we are not plugged into the broader discussions going on between the other parties with respect to other components of the FHP process.

Sarah

From: John Kim
Sent: Tuesday, September 26, 2017 10:16 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi Sarah,

Sounds good to me. Anthony gave me a call to give me the heads-up before the email.

I did also mention to him that we would be open to suggested edits to the draft to reflect any comments they may have.

John

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:13 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi John,

Off the top of my head I don't see any legal issues from the OFA perspective, but I defer to Lisa because she is closer to the documentation than I am so will ask her to weigh in.

We should also consider giving Toby a heads up because I think MOF Legal's been more involved in the OPG side of things, I don't know where things stand on the other various moving parts that are not directly within the mandate of the OFA. I will give him a quick call.

Sarah

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:05 AM
To: Lisa Stein (Lisa.Stein@ofina.on.ca) <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Hi Lisa – could you let us know if you see any concerns with this request?
Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 10:04 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility

John,
Thanks for this.
We have reviewed and before we comment back, we would like your ok to discuss/share this doc with OPG and their lawyers.
Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,
Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,
Do you have time for a quick call this morning?
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM

To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

Moody's (Gavin MacFarlane) has verbally raised their concern to me that the new $2B facility should be in place this month – main concern is that the IESO may/is rapidly burning through the $975M capacity at about $200M-$250M/month. Also, the first sale to Financing Entity is not expected until October(ish).

I am currently at about $405M utilized.

Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.

Appreciate your efforts to co-ordinate a timely approval.

Call me to discuss if needed.

Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,

I am currently working on your request for the two facilities with the OFA.

I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.

I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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I am writing in relation to the Independent Electricity System Operator's (IESO) request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement. The OFA, IESO and the Ministry of Energy ("MOE") acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for the IESO [Energy to confirm] and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), on an unsecured basis, the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and MOE agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):
    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and MOE agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").
    - Under the intercept provision, which shall be included in the Loan Agreements, the IESO also agrees that any notice from the OFA to the Minister of Finance in relation to its failure to pay under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.
    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with MOE and seek MOE's support in getting the IESO to pay the amounts owing within a reasonable cure period.

DRAFT

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, MOE will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and expected timing of such payments to be made by MOE. Upon request, MOE will provide similar information to the Minister of Finance.

- MOE acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, MOE will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

DRAFT

From:	Sarah Harris
To:	Opal Kandelas
Subject:	FW: IESO credit facility
Date:	Tuesday, October 03, 2017 11:52:06 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean.docx

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From: John Kim
Sent: Tuesday, September 26, 2017 4:03 PM
To: Lisa Stein ; Tobias P. Whitfield (MOF) ; Sarah Neville
Cc: Sarah Harris ; Anna Strathy
Subject: RE: IESO credit facility

For Toby's information, attached the draft letter agreement.

From: John Kim
Sent: Tuesday, September 26, 2017 4:03 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi Lisa, Toby,
I want to clarify that based on the approach we are moving forward with, the understanding of the OFA Lending Policy should be such that where there are no appropriation by Legislature, there is nothing contemplated by the OFA Lending Policy to intercept. Some of us in CEFD are a bit concerned about the wording 'carve-outs' and 'perhaps' below. I think Toby referred to 'carve-outs' to refer to exceptions to what is subject to the intercept. With the draft letter agreement, we are taking a position that there is nothing to intercept and that we are agreeing to put the intercept clause in as in the future there could be appropriations by Legislature for the IESO at which point, it would become necessary in the future which would be a prudent thing to have.
I was getting Ron in the loop as potentially ready to manage the process with OPG.
Let me know pls. if I am off base on any of the above.
John

From: Lisa Stein
Sent: Tuesday, September 26, 2017 11:34 AM
To: John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

On p. 3, item #6 under "Conditions Precedent", the OFA Lending Policy provides that the OFA must ensure that it has an "appropriate" intercept in place. While the intercept wording in the Policy itself does not provide flexibility (as noted by Toby), perhaps this provision allows for 'carve-outs' in situations where the operation of the intercept would not be appropriate (such as those outlined by John below)?
Lisa

From: John Kim
Sent: Tuesday, September 26, 2017 11:24 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Neville

<Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi,

I'm happy to organize a call among us, if there is a need for it.

In an earlier note when we were seeking the Intercept Exemption Directive, we had the following bullets as part of the rationale section:

- While the IESO settlements system for the electricity sector may facilitate the flow of appropriations of the Ministry of Energy for energy-related programs such as the Ontario Rebate for Electricity Consumers (OREC), the Rural or Remote Rate Protection Program (RRRP), the Ontario Electricity Support Program (OESP) etc., these payments are for the benefit of various electricity consumers.
- Intercepting these program specific payments, which are appropriated by the Legislature for the Ministry of Energy, under which the IESO may only be providing a conduit to local distribution companies under the IESO settlement system to provide benefits to ratepayers, in order to recover loan payments would not be in alignment with the wording or intent of the OFA's Lending Policy.

Would these not relate to the carve-outs that Toby is referring to? Let me know pls. if I am mis-interpreting things.

John

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Tuesday, September 26, 2017 11:01 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Although I am sympathetic to Anthony's concerns, I am not sure that the OFA lending policy leaves room for carve-outs for what is subject to the intercept.

Sarah and Lisa, do you see scope for doing so?

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 10:44 AM
To: Neville, Sarah (OFA); Stein, Lisa (OFA)
Cc: Harris, Sarah (OFA); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

Anthony had very cursory comments along two points – some concern expressed by Stikeman and Elliott about priority over payments and that they have some MOECC dealings related to Cap and Trade(?). I mentioned to him that the intent is not to cover anything other than appropriation for IESO's own operational funding and that happy to receive edits to cover such concerns.

John

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:37 AM

To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: RE: IESO credit facility

Hi –

I just spoke with Toby (I've copied him as an FYI) and he flagged that he doesn't know why IESO would need to share this with OPG in the first instance. The only issue/reason we could identify was that it may have something to do with the purchase by OPG of the "asset" (I'm using quotation marks because I don't know anything about this transaction or its structure other than how it is referred) from IESO and making sure that the "asset" is free of encumbrances. IESO may have reps or warranties in its dealings with OPG to this effect, and, I am guessing, but this may have been part of the rationale with respect to concerns that IESO had in earlier versions of the drafting in regard to definitions of "permitted liens" and ranking of debt. Our advice is to reach out to IESO and try to ascertain the reason for the request (John, as Anthony called you, perhaps you could call him back with this request?)

I understand that we have been treating this loan as confidential, and OFA can waive confidentiality and allow disclosure to OPG (if this route is agree to I would recommend that disclosure be made by IESO on a confidential basis) but the risk/caution is that adding more layers outside of the immediate parties to the intercept (which now includes MOE), will add further delay and complexity in what is essentially an administrative issue and as noted we are not plugged into the broader discussions going on between the other parties with respect to other components of the FHP process.

Sarah

From: John Kim
Sent: Tuesday, September 26, 2017 10:16 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi Sarah,

Sounds good to me. Anthony gave me a call to give me the heads-up before the email.

I did also mention to him that we would be open to suggested edits to the draft to reflect any comments they may have.

John

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:13 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi John,

Off the top of my head I don't see any legal issues from the OFA perspective, but I defer to Lisa because she is closer to the documentation than I am so will ask her to weigh in.

We should also consider giving Toby a heads up because I think MOF Legal's been more involved in the OPG side of things, I don't know where things stand on the other various moving parts that are not directly within the mandate of the OFA. I will give him a quick call.

Sarah

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:05 AM
To: Lisa Stein (Lisa.Stein@ofina.on.ca) <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Hi Lisa – could you let us know if you see any concerns with this request?
Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 10:04 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility

John,
Thanks for this.
We have reviewed and before we comment back, we would like your ok to discuss/share this doc with OPG and their lawyers.
Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,
Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,
Do you have time for a quick call this morning?
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM

To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

Moody's (Gavin MacFarlane) has verbally raised their concern to me that the new $2B facility should be in place this month – main concern is that the IESO may/is rapidly burning through the $975M capacity at about $200M-$250M/month. Also, the first sale to Financing Entity is not expected until October(ish).

I am currently at about $405M utilized.

Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.

Appreciate your efforts to co-ordinate a timely approval.

Call me to discuss if needed.

Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,

I am currently working on your request for the two facilities with the OFA.

I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.

I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement. The OFA, IESO and the Ministry of Energy ("MOE") acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for the IESO [Energy to confirm] and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), on an unsecured basis, the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and MOE agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):
    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and MOE agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").
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    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with MOE and seek MOE's support in getting the IESO to pay the amounts owing within a reasonable cure period.

DRAFT

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, MOE will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and expected timing of such payments to be made by MOE. Upon request, MOE will provide similar information to the Minister of Finance.

- MOE acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, MOE will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

DRAFT

From: Sarah Harris
To: Opal Kandelas; William Tan
Subject: FW: IESO credit facility
Date: Tuesday, October 03, 2017 10:10:52 AM

Hi,
An update – IESO will be sharing the intercept letter with OPG, so hopefully this moves things along.
Thanks,
Sarah

From: John Kim
Sent: Friday, September 29, 2017 11:49 AM
To: 'Victor Buza' ; Anthony Martinello
Cc: Sarah Harris ; Sarah Neville ; Lisa Stein
Subject: RE: IESO credit facility
Great, thanks Victor.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 29, 2017 10:32 AM
To: John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO credit facility
Thanks John - that will work.
We agree to treat the information as confidential. And we will require OPG to treat it as confidential, including a requirement that the information will only be distributed internally or to their advisors on a confidential need-to-know basis.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 28, 2017 2:53 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville; Lisa Stein
Subject: RE: IESO credit facility
Hi Victor,
Could we get an assurance from your Legal, perhaps belatedly, to treat all items related to this confidentially and also to share with OPG counterparts on a confidential need to know basis?
On that basis, we are fine for IESO to proceed and discuss with OPG.
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 1:58 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO credit facility
Please re-consider.
The IESO and OPG are currently negotiating terms for the fair hydro program and servicing – and OPG may consider this letter to impact their position on some aspects.

The point of sharing it with OPG is precisely to see if they do have any concerns as I wish to avoid any future unfavourable outcomes that may result by not sharing.
Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 11:48 AM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville; Lisa Stein
Subject: RE: IESO credit facility

Hi Anthony,
We had a quick internal discussion and we are not quite there on the need to share this with OPG and their lawyers. If you feel strongly about it then I will take it back to get that direction but would it be possible to manage any concerns via proposed edits to the draft letter agreement?
Thanks,
John

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e-mail: john.kim@ofina.on.ca
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Sent: September 28, 2017 2:53 PM
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Subject: RE: IESO credit facility
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Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 1:58 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO credit facility
Please re-consider.
The IESO and OPG are currently negotiating terms for the fair hydro program and servicing – and OPG may consider this letter to impact their position on some aspects.

The point of sharing it with OPG is precisely to see if they do have any concerns as I wish to avoid any future unfavourable outcomes that may result by not sharing.
Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 11:48 AM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville; Lisa Stein
Subject: RE: IESO credit facility

Hi Anthony,
We had a quick internal discussion and we are not quite there on the need to share this with OPG and their lawyers. If you feel strongly about it then I will take it back to get that direction but would it be possible to manage any concerns via proposed edits to the draft letter agreement?
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 10:04 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility

John,
Thanks for this.
We have reviewed and before we comment back, we would like your ok to discuss/share this doc with OPG and their lawyers.
Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,
Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
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To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,
Do you have time for a quick call this morning?

Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

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I am currently at about $405M utilized.
Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.
Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,
I am currently working on your request for the two facilities with the OFA.
I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.
I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.
Thanks,
John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From: Sarah Harris
To: Opal Kandelas; William Tan
Subject: FW: IESO credit facility
Date: Wednesday, September 27, 2017 11:53:02 AM

Keeping you in the (endless) loop…
Sarah

From: Lisa Stein
Sent: Tuesday, September 26, 2017 4:30 PM
To: John Kim ; Tobias P. Whitfield (MOF) ; Sarah Neville
Cc: Sarah Harris ; Anna Strathy
Subject: RE: IESO credit facility

Hi John,
Yes, your understanding is correct. There are currently no "exceptions" to or specific "carve outs" from the intercept requirement in the Policy and I agree with Toby. I was trying to address the question you had raised in your earlier e-mail.
Lisa

From: John Kim
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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi Lisa, Toby,
I want to clarify that based on the approach we are moving forward with, the understanding of the OFA Lending Policy should be such that where there are no appropriation by Legislature, there is nothing contemplated by the OFA Lending Policy to intercept. Some of us in CEFD are a bit concerned about the wording 'carve-outs' and 'perhaps' below. I think Toby referred to 'carve-outs' to refer to exceptions to what is subject to the intercept. With the draft letter agreement, we are taking a position that there is nothing to intercept and that we are agreeing to put the intercept clause in as in the future there could be appropriations by Legislature for the IESO at which point, it would become necessary in the future which would be a prudent thing to have.
I was getting Ron in the loop as potentially ready to manage the process with OPG.
Let me know pls. if I am off base on any of the above.
John

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Subject: RE: IESO credit facility

On p. 3, item #6 under "Conditions Precedent", the OFA Lending Policy provides that the OFA must ensure that it has an "appropriate" intercept in place. While the intercept wording in the Policy itself does not provide flexibility (as noted by Toby), perhaps this provision allows for 'carve-outs' in situations where the operation of the intercept would not be appropriate (such as those outlined by

John below)?
Lisa

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Subject: RE: IESO credit facility

Hi,
I'm happy to organize a call among us, if there is a need for it.
In an earlier note when we were seeking the Intercept Exemption Directive, we had the following bullets as part of the rationale section:

- While the IESO settlements system for the electricity sector may facilitate the flow of appropriations of the Ministry of Energy for energy-related programs such as the Ontario Rebate for Electricity Consumers (OREC), the Rural or Remote Rate Protection Program (RRRP), the Ontario Electricity Support Program (OESP) etc., these payments are for the benefit of various electricity consumers.
- Intercepting these program specific payments, which are appropriated by the Legislature for the Ministry of Energy, under which the IESO may only be providing a conduit to local distribution companies under the IESO settlement system to provide benefits to ratepayers, in order to recover loan payments would not be in alignment with the wording or intent of the OFA's Lending Policy.

Would these not relate to the carve-outs that Toby is referring to? Let me know pls. if I am mis-interpreting things.
John

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Tuesday, September 26, 2017 11:01 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Although I am sympathetic to Anthony's concerns, I am not sure that the OFA lending policy leaves room for carve-outs for what is subject to the intercept.
Sarah and Lisa, do you see scope for doing so?
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 10:44 AM
To: Neville, Sarah (OFA); Stein, Lisa (OFA)
Cc: Harris, Sarah (OFA); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

Anthony had very cursory comments along two points – some concern expressed by Stikeman and Elliott about priority over payments and that they have some MOECC dealings related to Cap and

Trade(?). I mentioned to him that the intent is not to cover anything other than appropriation for IESO's own operational funding and that happy to receive edits to cover such concerns.
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Subject: RE: IESO credit facility

Hi –
I just spoke with Toby (I've copied him as an FYI) and he flagged that he doesn't know why IESO would need to share this with OPG in the first instance. The only issue/reason we could identify was that it may have something to do with the purchase by OPG of the "asset" (I'm using quotation marks because I don't know anything about this transaction or its structure other than how it is referred) from IESO and making sure that the "asset" is free of encumbrances. IESO may have reps or warranties in its dealings with OPG to this effect, and, I am guessing, but this may have been part of the rationale with respect to concerns that IESO had in earlier versions of the drafting in regard to definitions of "permitted liens" and ranking of debt. Our advice is to reach out to IESO and try to ascertain the reason for the request (John, as Anthony called you, perhaps you could call him back with this request?)
I understand that we have been treating this loan as confidential, and OFA can waive confidentiality and allow disclosure to OPG (if this route is agree to I would recommend that disclosure be made by IESO on a confidential basis) but the risk/caution is that adding more layers outside of the immediate parties to the intercept (which now includes MOE), will add further delay and complexity in what is essentially an administrative issue and as noted we are not plugged into the broader discussions going on between the other parties with respect to other components of the FHP process.
Sarah

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Sent: Tuesday, September 26, 2017 10:16 AM
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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi Sarah,
Sounds good to me. Anthony gave me a call to give me the heads-up before the email.
I did also mention to him that we would be open to suggested edits to the draft to reflect any comments they may have.
John

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Subject: RE: IESO credit facility

Hi John,
Off the top of my head I don't see any legal issues from the OFA perspective, but I defer to Lisa

because she is closer to the documentation than I am so will ask her to weigh in.
We should also consider giving Toby a heads up because I think MOF Legal's been more involved in the OPG side of things, I don't know where things stand on the other various moving parts that are not directly within the mandate of the OFA. I will give him a quick call.
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Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

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Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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Phone: 416-325-1456

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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility
Sure, before 11am today is preferred. Can you send call-in details. Regards.

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Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility
Hi Anthony,

Do you have time for a quick call this morning?
Thanks,
John

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Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
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Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.
Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

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Thanks,
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Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	Sarah Harris
To:	Opal Kandelas; William Tan
Subject:	FW: IESO credit facility
Date:	Tuesday, September 26, 2017 2:59:59 PM

Further developments…no answer from John yet.

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 1:58 PM
To: John Kim
Cc: Sarah Harris ; Victor Buza ; Sarah Neville ; Lisa Stein
Subject: RE: IESO credit facility

Please re-consider.
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From: Sarah Harris
To: William Tan
Cc: Jean-Francois Beaupre
Subject: FW: IESO credit facility
Date: Friday, October 20, 2017 12:57:44 PM

Hi Will,
In my absence next week, please keep Mike, Opal and JF aware of IESO developments.
Thanks,
Sarah

From: Sarah Harris
Sent: Friday, October 20, 2017 12:55 PM
To: Mike Manning
Cc: Opal Kandelas ; Jean-Francois Beaupre
Subject: FW: IESO credit facility

Hi Mike,
As an update on IESO, according to John K "IESO has not provided any edits [to the Credit Facility Agreement] but seem to be indicating that they are getting close to being prepared to sign."
At the same time,"[OPG] Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Will and I met with John K, Francisco, Sarah Neville, Lisa Stein and Toby from LSB to discuss this. The issues are as follows:
1 – Under the draft FHP draft facility, OFA ranks pari passu with all other unsubordinated debt and unsecured Indebtedness of IESO, subject to the existence of any Liens that secure Indebtedness. If the Trust has 1st priority/security over all IESO assets, this (as we currently understand OPG's request) renders the protection our Permitted Liens section moot, and also renders the Negative Pledge section moot since it states that

> *The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured*

Based on my understanding, this would be a fundamental change in the OFA's approach if we permit the Trust to have 1st priority/security over all IESO assets.
2 – If IESO is close to execution, it would be important for the OFA not to give any undertaking to IESO that it would be willing to restructuring any existing facilities, and that any such change would be dependent at that time on analysis of the circumstances and any approvals.
3 – From a simplicity standpoint, the directive to exempt the intercept provision from the credit facility is still the most immediately simple option. However, within the next week it is thought that we should proceed with the tripartite letter PROVIDED that the OFA gives no undertaking to amend its credit facilities down the road. Our speculation is that IESO has some resistance to OPG taking 1st priority interest in all IESO assets and that it may be levering the inclusion of the intercept provision as a reason why OPG can't have a 1st priority claim in all IESO assets. There was also some discussion

as to whether the intercept provision could be "secured" by OPG Trust – on the face we don't think so, but more analysis would need to be done as to the legislature appropriations status under the PPSA and the ability for OPG Trust take a security into legislature appropriations.
4- Also, according to Francisco, following the AG's report there is sensitivity around the pricing of the OPG Asset. Particularly if it is thought that the exclusion of the intercept provision from the agreement will add to credit rating agencies view that IESO's assets and cashflows will be unencumbered, it adds suasion to the argument for the Minister to sign an exempting directive.
John Kim will update Ron Kwan who will hopefully in turn brief Gadi. Time is of the essence, since the next IESO draw is on November 21, and the existing credit facility limit would be exceeded by the next draw.
Thanks,
Sarah

From: John Kim
Sent: Friday, October 20, 2017 9:44 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: IESO credit facility
Hi Sarah,
Do you see any issue with the priority of payment/asset part in implementing it?
Let me know what you think pls.
John.

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility
Hi,
Pls. take a look at this once again and let me know if you have any comments. Thus far, IESO has not provided any edits but seem to be indicating that they are getting close to being prepared to sign.
IESO has indicated the following and I will ask you to give it some thought:
"DRAFT - The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Thanks,
John

From: John Kim
Sent: Friday, October 06, 2017 10:16 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility
Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: IESO credit facility

John,
I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft). I am still working to determine who will sign for Energy and I'll let you know shortly.
Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility

Hi Tom,
Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.
Thanks,
John

From: John Kim
Sent: Monday, September 25, 2017 2:03 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: IESO credit facility

My apologies….this email was sent to the wrong address.

From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

Hi Tom,
Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.
We are available for a chat today to address any questions or comments.
Thanks,
John

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e-mail: john.kim@ofina.on.ca
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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility

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Thanks for this.
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Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

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To: John Kim [John.Kim@ofina.on.ca]; Tobias P. Whitfield (MOF) [Tobias.Whitfield@ontario.ca]; Sarah Neville [Sarah.Neville@ofina.on.ca]
CC: Sarah Harris [Sarah.Harris@ofina.on.ca]; Anna Strathy [Anna.Strathy@ofina.on.ca]
Subject: RE: IESO credit facility
Date: Tuesday, September 26, 2017 11:33:53

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Would these not relate to the carve-outs that Toby is referring to? Let me know pls. if I am mis-interpreting things.

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Sent: Tuesday, September 26, 2017 11:01 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein

<Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Although I am sympathetic to Anthony's concerns, I am not sure that the OFA lending policy leaves room for carve-outs for what is subject to the intercept.

Sarah and Lisa, do you see scope for doing so?

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 10:44 AM
To: Neville, Sarah (OFA); Stein, Lisa (OFA)
Cc: Harris, Sarah (OFA); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

Anthony had very cursory comments along two points – some concern expressed by Stikeman and Elliott about priority over payments and that they have some MOECC dealings related to Cap and Trade(?). I mentioned to him that the intent is not to cover anything other than appropriation for IESO's own operational funding and that happy to receive edits to cover such concerns.

John

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:37 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: RE: IESO credit facility

Hi –

I just spoke with Toby (I've copied him as an FYI) and he flagged that he doesn't know why IESO would need to share this with OPG in the first instance. The only issue/reason we could identify was that it may have something to do with the purchase by OPG of the "asset" (I'm using quotation marks because I don't know anything about this transaction or its structure other than how it is referred) from IESO and making sure that the "asset" is free of encumbrances. IESO may have reps or warranties in its dealings with OPG to this effect, and, I am guessing, but this may have been part of the rationale with respect to concerns that IESO had in earlier versions of the drafting in regard to definitions of "permitted liens" and ranking of debt. Our advice is to reach out to IESO and try to ascertain the reason for the request (John, as Anthony called you, perhaps you could call him back with this request?)

I understand that we have been treating this loan as confidential, and OFA can waive confidentiality and allow disclosure to OPG (if this route is agree to I would recommend that disclosure be made by IESO on a confidential basis) but the risk/caution is that adding more layers outside of the immediate parties to the intercept (which now includes MOE), will add further delay and complexity in what is essentially an administrative issue and as noted we are not plugged into the broader discussions going on between the other parties with respect to other components of the FHP process.

Sarah

From: John Kim
Sent: Tuesday, September 26, 2017 10:16 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi Sarah,

Sounds good to me. Anthony gave me a call to give me the heads-up before the email.

I did also mention to him that we would be open to suggested edits to the draft to reflect any comments they may have.

John

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:13 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi John,

Off the top of my head I don't see any legal issues from the OFA perspective, but I defer to Lisa because she is closer to the documentation than I am so will ask her to weigh in.

We should also consider giving Toby a heads up because I think MOF Legal's been more involved in the OPG side of things, I don't know where things stand on the other various moving parts that are not directly within the mandate of the OFA. I will give him a quick call.

Sarah

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:05 AM
To: Lisa Stein (Lisa.Stein@ofina.on.ca) <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy

<Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Hi Lisa – could you let us know if you see any concerns with this request?

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Sent: September 26, 2017 10:44 AM
To: Neville, Sarah (OFA); Stein, Lisa (OFA)
Cc: Harris, Sarah (OFA); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

Anthony had very cursory comments along two points – some concern expressed by Stikeman and Elliott about priority over payments and that they have some MOECC dealings related to Cap and Trade(?). I mentioned to him that the intent is not to cover anything other than appropriation for IESO's own operational funding and that happy to receive edits to cover such concerns.

John

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:37 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: RE: IESO credit facility

Hi –

I just spoke with Toby (I've copied him as an FYI) and he flagged that he doesn't know why IESO would need to share this with OPG in the first instance. The only issue/reason we could identify was that it may have something to do with the purchase by OPG of the "asset" (I'm using quotation marks because I don't know anything about this transaction or its structure other than how it is referred) from IESO and making sure that the "asset" is free of encumbrances. IESO may have reps or warranties in its dealings with OPG to this effect, and, I am guessing, but this may have been part of the rationale with respect to concerns that IESO had in earlier versions of the drafting in regard to definitions of "permitted liens" and ranking of debt. Our advice is to reach out to IESO and try to ascertain the reason for the request (John, as Anthony called you, perhaps you could call him back with this request?)

I understand that we have been treating this loan as confidential, and OFA can waive confidentiality and allow disclosure to OPG (if this route is agree to I would recommend that disclosure be made by IESO on a confidential basis) but the risk/caution is that adding more layers outside of the immediate parties to the intercept (which now includes MOE), will add further delay and complexity in what is essentially an administrative issue and as noted we are not plugged into the broader discussions going on between the other parties with respect to other components of the FHP process.

Sarah

From: John Kim
Sent: Tuesday, September 26, 2017 10:16 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi Sarah,

Sounds good to me. Anthony gave me a call to give me the heads-up before the email.

I did also mention to him that we would be open to suggested edits to the draft to reflect any comments they may have.

John

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:13 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Hi John,

Off the top of my head I don't see any legal issues from the OFA perspective, but I defer to Lisa because she is closer to the documentation than I am so will ask her to weigh in.

We should also consider giving Toby a heads up because I think MOF Legal's been more involved in the OPG side of things, I don't know where things stand on the other various moving parts that are not directly within the mandate of the OFA. I will give him a quick call.

Sarah

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:05 AM
To: Lisa Stein (Lisa.Stein@ofina.on.ca) <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy

<Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Hi Lisa – could you let us know if you see any concerns with this request?

Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 10:04 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility

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Thanks for this.
We have reviewed and before we comment back, we would like your ok to discuss/share this doc with OPG and their lawyers.

Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,

Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,

Do you have time for a quick call this morning?

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

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I am currently at about $405M utilized.
Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.

Regards.

Anthony Martinello Director, Treasury & Pension Operations
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Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

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Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

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Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	John Kim
To:	Anna Strathy; Tobias P. Whitfield (MOF)
Cc:	Sarah Harris; Sarah Neville; Lisa Stein
Subject:	FW: IESO credit facility
Date:	Tuesday, September 26, 2017 11:49:14 AM

Fyi.

From: John Kim
Sent: Tuesday, September 26, 2017 11:48 AM
To: 'Anthony Martinello'
Cc: Sarah Harris ; Victor Buza ; Sarah Neville ; Lisa Stein
Subject: RE: IESO credit facility

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Ph: 416-212-6996

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From:	John Kim
To:	Sarah Neville; Lisa Stein; Sarah Harris
Cc:	Anna Strathy
Subject:	FW: IESO credit facility
Date:	Tuesday, September 26, 2017 10:04:57 AM

Hi Sarah, Lisa and Sarah,

I have no issues…..would you have any concern with the IESO sharing with OPG.

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Tuesday, September 26, 2017 10:04 AM

To: John Kim

Cc: Sarah Harris ; Victor Buza ; Sarah Neville

Subject: RE: IESO credit facility

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From:	Sarah Neville
To:	Lisa Stein
Cc:	John Kim; Sarah Harris; Anna Strathy
Subject:	FW: IESO credit facility
Date:	Tuesday, September 26, 2017 10:04:46 AM

Hi Lisa – could you let us know if you see any concerns with this request?
Sarah

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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

Moody's (Gavin MacFarlane) has verbally raised their concern to me that the new $2B facility should be in place this month – main concern is that the IESO may/is rapidly burning through the $975M capacity at about $200M-$250M/month. Also, the first sale to Financing Entity is not expected until October(ish).
I am currently at about $405M utilized.
Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.
Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,
I am currently working on your request for the two facilities with the OFA.
I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.
I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.
Thanks,
John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	Sarah Neville
To:	Lisa Stein
Cc:	John Kim; Sarah Harris; Anna Strathy
Subject:	FW: IESO credit facility
Date:	Tuesday, September 26, 2017 10:04:46 AM

Hi Lisa – could you let us know if you see any concerns with this request?
Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 10:04 AM
To: John Kim
Cc: Sarah Harris ; Victor Buza ; Sarah Neville
Subject: RE: IESO credit facility

John,
Thanks for this.
We have reviewed and before we comment back, we would like your ok to discuss/share this doc with OPG and their lawyers.
Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,
Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,
Do you have time for a quick call this morning?
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

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From: Sarah Harris
To: William Tan
Cc: Jean-Francois Beaupre
Subject: FW: IESO credit facility
Date: Friday, October 20, 2017 12:57:44 PM

Hi Will,
In my absence next week, please keep Mike, Opal and JF aware of IESO developments.
Thanks,
Sarah

From: Sarah Harris
Sent: Friday, October 20, 2017 12:55 PM
To: Mike Manning
Cc: Opal Kandelas ; Jean-Francois Beaupre
Subject: FW: IESO credit facility

Hi Mike,
As an update on IESO, according to John K "IESO has not provided any edits [to the Credit Facility Agreement] but seem to be indicating that they are getting close to being prepared to sign."
At the same time,"[OPG] Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Will and I met with John K, Francisco, Sarah Neville, Lisa Stein and Toby from LSB to discuss this. The issues are as follows:
1 – Under the draft FHP draft facility, OFA ranks pari passu with all other unsubordinated debt and unsecured Indebtedness of IESO, subject to the existence of any Liens that secure Indebtedness. If the Trust has 1st priority/security over all IESO assets, this (as we currently understand OPG's request) renders the protection our Permitted Liens section moot, and also renders the Negative Pledge section moot since it states that

> *The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured*

Based on my understanding, this would be a fundamental change in the OFA's approach if we permit the Trust to have 1st priority/security over all IESO assets.
2 – If IESO is close to execution, it would be important for the OFA not to give any undertaking to IESO that it would be willing to restructuring any existing facilities, and that any such change would be dependent at that time on analysis of the circumstances and any approvals.
3 – From a simplicity standpoint, the directive to exempt the intercept provision from the credit facility is still the most immediately simple option. However, within the next week it is thought that we should proceed with the tripartite letter PROVIDED that the OFA gives no undertaking to amend its credit facilities down the road. Our speculation is that IESO has some resistance to OPG taking 1st priority interest in all IESO assets and that it may be levering the inclusion of the intercept provision as a reason why OPG can't have a 1st priority claim in all IESO assets. There was also some discussion

as to whether the intercept provision could be "secured" by OPG Trust – on the face we don't think so, but more analysis would need to be done as to the legislature appropriations status under the PPSA and the ability for OPG Trust take a security into legislature appropriations.
4- Also, according to Francisco, following the AG's report there is sensitivity around the pricing of the OPG Asset. Particularly if it is thought that the exclusion of the intercept provision from the agreement will add to credit rating agencies view that IESO's assets and cashflows will be unencumbered, it adds suasion to the argument for the Minister to sign an exempting directive.
John Kim will update Ron Kwan who will hopefully in turn brief Gadi. Time is of the essence, since the next IESO draw is on November 21, and the existing credit facility limit would be exceeded by the next draw.
Thanks,
Sarah

From: John Kim
Sent: Friday, October 20, 2017 9:44 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: IESO credit facility
Hi Sarah,
Do you see any issue with the priority of payment/asset part in implementing it?
Let me know what you think pls.
John.

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility
Hi,
Pls. take a look at this once again and let me know if you have any comments. Thus far, IESO has not provided any edits but seem to be indicating that they are getting close to being prepared to sign.
IESO has indicated the following and I will ask you to give it some thought:
"DRAFT - The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Thanks,
John

From: John Kim
Sent: Friday, October 06, 2017 10:16 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility
Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: IESO credit facility

John,
I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft). I am still working to determine who will sign for Energy and I'll let you know shortly.
Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility

Hi Tom,
Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.
Thanks,
John

From: John Kim
Sent: Monday, September 25, 2017 2:03 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: IESO credit facility

My apologies….this email was sent to the wrong address.

From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

Hi Tom,
Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.
We are available for a chat today to address any questions or comments.
Thanks,
John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	John Kim
To:	"Tom.McKinlay2@ontario.ca"
Cc:	Sarah Neville; Sarah Harris
Subject:	FW: IESO credit facility
Date:	Monday, September 25, 2017 2:01:51 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean.docx IESO-OFA - FHP LoC - Intercept_Sep19-2017.docx

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e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

I am writing in relation to the Independent Electricity System Operator's (IESO) request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement. The OFA, IESO and the Ministry of Energy ("MOE") acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for the IESO [Energy to confirm] and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), on an unsecured basis, the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and MOE agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):
    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and MOE agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").
    - Under the intercept provision, which shall be included in the Loan Agreements, the IESO also agrees that any notice from the OFA to the Minister of Finance in relation to its failure to pay under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.
    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with MOE and seek MOE's support in getting the IESO to pay the amounts owing within a reasonable cure period.

DRAFT

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, MOE will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and expected timing of such payments to be made by MOE. Upon request, MOE will provide similar information to the Minister of Finance.

- MOE acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, MOE will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

DRAFT

BACKGROUND NOTE
OFA -- IESO CREDIT FACILITY & THE INTERCEPT PROVISION REQUIRED UNDER THE OFA'S LENDING POLICY

The IESO had requested a new revolving credit facility in an amount of up to $2 billion from the OFA to support its role in the implementation and participation under the *Ontario Fair Hydro Plan Act, 2017* ("OFHP Act").

On June 29, 2017, the OFA received a directive from the Minister to accommodate the IESO's request and provide a revolving credit facility to the IESO in an amount of up to $2 billion (the "OFHP Credit Facility").

Pursuant to the OFA Lending Policy, the OFA is required to include an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis, unless otherwise directed by the Minister of Finance [or Treasury Board or Cabinet].

In accordance with section 23 of the *Capital Investment Plan Act, 1993* ("CIPA"), the intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body, amounts equal to any amounts the public body fails to pay to the OFA under a loan agreement.

Per the requirements of the OFA's Lending Policy, the OFA has reached out to the Ministry of Energy and IESO to fulfill the requirement to include an intercept provision in credit facility agreements with the IESO.

- The OFA Lending Policy, as approved by the OFA Board, provides the following requirement for unsecured loans to public bodies under CIPA:

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- The new FHP credit facility, with the required intercept clause, will enable the IESO to fulfil its commitments under the OFHP Act as the IESO will have to finance for a short or medium term period the funding shortfalls in the implementation of the OFHP Act, as well as the continued implementation of the market support function for the IESO through the $475 million facility (to be amended from the current $975 million facility) which will also require the intercept clause to be added.

- Including an intercept provision in the credit facility agreements with the IESO is expected to have no practical impact as the IESO receives no appropriations from the Province of Ontario [Energy to confirm], but would bring the lending facilities onside with the requirements of the OFA Lending Policy and be consistent with CIPA.

Electricity Finance Branch / Corporate and Electricity Finance Division / Ontario Financing Authority
September 19, 2017

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Cc:	Sarah Neville; Sarah Harris
Subject:	FW: IESO credit facility
Date:	Monday, September 25, 2017 2:01:51 PM
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Electricity Finance Branch / Corporate and Electricity Finance Division / Ontario Financing Authority
September 19, 2017

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Subject:	FW: IESO credit facility
Date:	Friday, September 22, 2017 9:04:40 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean.docx

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Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,
Do you have time for a quick call this morning?
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

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Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.

Call me to discuss if needed.

Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

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I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.

I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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I am writing in relation to the Independent Electricity System Operator's (IESO) request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement. The OFA, IESO and the Ministry of Energy ("MOE") acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for the IESO [Energy to confirm] and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), on an unsecured basis, the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and MOE agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):
    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and MOE agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").
    - Under the intercept provision, which shall be included in the Loan Agreements, the IESO also agrees that any notice from the OFA to the Minister of Finance in relation to its failure to pay under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.
    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with MOE and seek MOE's support in getting the IESO to pay the amounts owing within a reasonable cure period.

DRAFT

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, MOE will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and expected timing of such payments to be made by MOE. Upon request, MOE will provide similar information to the Minister of Finance.

- MOE acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, MOE will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

DRAFT

From:	Sarah Harris
To:	William Tan
Subject:	FW: IESO credit facility
Date:	Friday, September 22, 2017 9:04:40 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean.docx

Hi Will,
The letter has gone over to Anthony for review.
Sarah

From: John Kim
Sent: Thursday, September 21, 2017 4:07 PM
To: 'Anthony Martinello'
Cc: Sarah Harris ; Victor Buza ; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,
Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

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To: Anthony Martinello
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DRAFT

From:	John Kim
To:	Sarah Harris
Subject:	FW: IESO credit facility
Date:	Wednesday, September 20, 2017 10:01:21 AM

Would you be ok at 10:30?

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim
Cc: Sarah Harris ; Victor Buza
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From: Sarah Harris
To: Mike Manning
Cc: Opal Kandelas; Jean-Francois Beaupre
Subject: FW: IESO credit facility
Date: Friday, October 20, 2017 12:55:04 PM

Hi Mike,

As an update on IESO, according to John K "IESO has not provided any edits [to the Credit Facility Agreement] but seem to be indicating that they are getting close to being prepared to sign."

At the same time,"[OPG] Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."

Will and I met with John K, Francisco, Sarah Neville, Lisa Stein and Toby from LSB to discuss this. The issues are as follows:

1 – Under the draft FHP draft facility, OFA ranks pari passu with all other unsubordinated debt and unsecured Indebtedness of IESO, subject to the existence of any Liens that secure Indebtedness. If the Trust has 1st priority/security over all IESO assets, this (as we currently understand OPG's request) renders the protection our Permitted Liens section moot, and also renders the Negative Pledge section moot since it states that

> *The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured*

Based on my understanding, this would be a fundamental change in the OFA's approach if we permit the Trust to have 1st priority/security over all IESO assets.

2 – If IESO is close to execution, it would be important for the OFA not to give any undertaking to IESO that it would be willing to restructuring any existing facilities, and that any such change would be dependent at that time on analysis of the circumstances and any approvals.

3 – From a simplicity standpoint, the directive to exempt the intercept provision from the credit facility is still the most immediately simple option. However, within the next week it is thought that we should proceed with the tripartite letter PROVIDED that the OFA gives no undertaking to amend its credit facilities down the road. Our speculation is that IESO has some resistance to OPG taking 1st priority interest in all IESO assets and that it may be levering the inclusion of the intercept provision as a reason why OPG can't have a 1st priority claim in all IESO assets. There was also some discussion as to whether the intercept provision could be "secured" by OPG Trust – on the face we don't think so, but more analysis would need to be done as to the legislature appropriations status under the PPSA and the ability for OPG Trust take a security into legislature appropriations.

4- Also, according to Francisco, following the AG's report there is sensitivity around the pricing of the OPG Asset. Particularly if it is thought that the exclusion of the intercept provision from the agreement will add to credit rating agencies view that IESO's assets and cashflows will be unencumbered, it adds suasion to the argument for the Minister to sign an exempting directive.

John Kim will update Ron Kwan who will hopefully in turn brief Gadi. Time is of the essence, since the next IESO draw is on November 21, and the existing credit facility limit would be exceeded by the

next draw.
Thanks,
Sarah

From: John Kim
Sent: Friday, October 20, 2017 9:44 AM
To: Sarah Harris
Subject: RE: IESO credit facility

Hi Sarah,
Do you see any issue with the priority of payment/asset part in implementing it?
Let me know what you think pls.
John.

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Hi,
Pls. take a look at this once again and let me know if you have any comments. Thus far, IESO has not provided any edits but seem to be indicating that they are getting close to being prepared to sign.
IESO has indicated the following and I will ask you to give it some thought:
"DRAFT - The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Thanks,
John

From: John Kim
Sent: Friday, October 06, 2017 10:16 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.
John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: IESO credit facility

John,
I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft).

I am still working to determine who will sign for Energy and I'll let you know shortly.
Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility

Hi Tom,

Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.

Thanks,

John

From: John Kim
Sent: Monday, September 25, 2017 2:03 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: IESO credit facility

My apologies….this email was sent to the wrong address.

From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

Hi Tom,

Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.

We are available for a chat today to address any questions or comments.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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3 – From a simplicity standpoint, the directive to exempt the intercept provision from the credit facility is still the most immediately simple option. However, within the next week it is thought that we should proceed with the tripartite letter PROVIDED that the OFA gives no undertaking to amend its credit facilities down the road. Our speculation is that IESO has some resistance to OPG taking 1st priority interest in all IESO assets and that it may be levering the inclusion of the intercept provision as a reason why OPG can't have a 1st priority claim in all IESO assets. There was also some discussion as to whether the intercept provision could be "secured" by OPG Trust – on the face we don't think so, but more analysis would need to be done as to the legislature appropriations status under the PPSA and the ability for OPG Trust take a security into legislature appropriations.

4- Also, according to Francisco, following the AG's report there is sensitivity around the pricing of the OPG Asset. Particularly if it is thought that the exclusion of the intercept provision from the agreement will add to credit rating agencies view that IESO's assets and cashflows will be unencumbered, it adds suasion to the argument for the Minister to sign an exempting directive.

John Kim will update Ron Kwan who will hopefully in turn brief Gadi. Time is of the essence, since the next IESO draw is on November 21, and the existing credit facility limit would be exceeded by the

next draw.
Thanks,
Sarah

From: John Kim
Sent: Friday, October 20, 2017 9:44 AM
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Subject: RE: IESO credit facility

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To: Mike Manning; Opal Kandelas
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Subject: FW: IESO credit facility
Date: Friday, October 20, 2017 12:33:47 PM

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Counsel, Legal Services Branch
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To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

Hi Tom,

Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.

We are available for a chat today to address any questions or comments.

Thanks,

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

From:	Sarah Harris
To:	Mike Manning; Opal Kandelas
Cc:	Jean-Francois Beaupre; William Tan
Subject:	FW: IESO credit facility
Date:	Friday, October 20, 2017 2:00:32 PM

FYI…Further IESO update.

From: John Kim
Sent: Friday, October 20, 2017 1:56 PM
To: Tobias P. Whitfield (MOF) ; Sarah Neville ; Lisa Stein ; William Tan ; Sarah Harris
Cc: Anna Strathy ; Francisco Chinchon
Subject: RE: IESO credit facility

Thanks everyone for joining the chat on short notice and also to Francisco for helping out. And sorry, didn't mean to leave out Sarah H. in my email this morning.

One of the takeaways from the meeting for me was that we need to let IESO know within reasonable timeframe that amending the existing facilities at any point would require appropriate approvals, likely involving a Directive and that we cannot actively or passively acquiesce [not sure if this is the appropriate word] by not responding. That it would require appropriate approvals when IESO has reasonably concluded its discussion on the matter. I just sent that in an email response following a phone call and also wanted to flag that IESO is expecting the next draft on Wednesday so I think we are looking at that as when we will have a sense of where the two entities stand.

All said, we are working on the Directive option in parallel.

John

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Friday, October 20, 2017 10:15 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

I agree that Sarah's question is an important one. What is the purpose of the security interest? I didn't know that the Trust was going to be a creditor of IESO?

Is there some background on that issue?

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Sarah Neville [mailto:Sarah.Neville@ofina.on.ca]
Sent: October 20, 2017 10:13 AM
To: Stein, Lisa (OFA); Kim, John (OFA); Tan, William (OFA)
Cc: Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

I agree with Lisa re intercept.

As a sidebar, not an OFA issue and way beyond my expertise, but is there any concern/discussion that the Trust, if given a first priority over ALL the asset of the IESO could potentially enforce a security interest and liquidate a significant entity responsible for overseeing the supply of electricity into Ontario? Is anyone weighing in on this question -IESO/MOE?

Sarah

From: Lisa Stein
Sent: Friday, October 20, 2017 10:02 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: RE: IESO credit facility

If the IESO gives the Trust a 1st priority over all IESO assets, it follows that the intercept provisions as drafted in the proposed credit facility agreement will not work. This further strengthens the case for a directive.
I've copied Toby from MOF Legal as a heads up.
Lisa

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Hi,
Pls. take a look at this once again and let me know if you have any comments. Thus far, IESO has not provided any edits but seem to be indicating that they are getting close to being prepared to sign.
IESO has indicated the following and I will ask you to give it some thought:
"DRAFT - The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Thanks,
John

From: John Kim
Sent: Friday, October 06, 2017 10:16 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.
John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: IESO credit facility

John,

I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft). I am still working to determine who will sign for Energy and I'll let you know shortly. Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility

Hi Tom,

Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.

Thanks,

John

From: John Kim
Sent: Monday, September 25, 2017 2:03 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: IESO credit facility

My apologies….this email was sent to the wrong address.

From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

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Ph: 416-212-6996

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From:	Sarah Harris
To:	William Tan
Subject:	FW: IESO
Date:	Thursday, November 02, 2017 10:20:42 AM
Attachments:	IESO RPP Grid Note Nov 1st.pdf IESO RPP Notice Oct 20th.pdf IESO RRRP Grid Note Nov 1st.pdf IESO RRRP Notice Oct 20th.pdf

---

From: LeRoy Ahyee
Sent: Wednesday, November 01, 2017 11:21 AM
To: Sarah Harris
Subject: IESO

As requested.

Ontario
LeRoy Ahyee
Settlements Officer | Ontario Financing Authority
Ph: 416-325-8076 | Cell: 416-473-1081
LeRoy.Ahyee@ofina.on.ca

Ontario Financing Authority

Line of Credit Grid Note

Entity : IESO

Project: Regulated Price Plan Variance

Schedule of loan transactions to: 01-Nov-2017

Loan Limit: 975,000,000.00

Loan Advanced to: 01-Nov-2017

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21-Sep-2017	$604,963,600.47	1.2500%	20-Oct-2017	29	$600,820.01	$600,820.01	$0.00	$600,820.01	20-Oct-2017	29
20-Oct-2017	$825,639,102.00	1.2500%	21-Nov-2017	32	$904,809.97	$0.00	$0.00	$0.00		

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Independent Electricity System Operator
Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2
FORM OF ELECTION NOTICE*

Date: October 18, 2017

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7AIY7

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("**IESO**"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the" **Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue all or a portion of an Advance for an additional term, and in that connection with such election, sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day is October 20, 2017
(b) The aggregate amount of the new loan is $825,639,102.00
    i. previous principal amount: $604,963,600.47
    ii. advance: $220,675,501.53
(c) The new Repayment Date applicable to such Advance is November 21, 2017

IESO confirms it will also be paying interest in the amount of $600,820.01.
This transaction relates to the settlement of the Regulated Price Plan (RPP) variance.

Such election shall be confirmed by the IESO by a telephone call to OFA Cash· Management (416) 325-8108.

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement, and are not being used for any other purpose.

Yours truly,
INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: K Marshall

Kimberly Marshall
VP Corporate Services, CFO and Treasurer

Ontario Financing Authority

Line of Credit Grid Note

Entity : IESO

Project: Rural or Remote Electricity Rate Protection Variance

Schedule of loan transactions to: 01-Nov-2017

Loan Limit: 475,000,000.00

Loan Advanced to: 01-Nov-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
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21-Aug-2017	$7,175,694.39	1.0100%	21-Sep-2017	31	$6,155.37	$6,155.37	$0.00	$6,155.37	21-Sep-2017	31
21-Sep-2017	$9,841,878.70	1.2500%	20-Oct-2017	29	$9,774.47	$9,774.47	$0.00	$9,774.47	20-Oct-2017	29
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Per: K Marshall

Kimberly Marshall
VP Corporate Services, CFO and Treasurer

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Subject:	FW: IESO
Date:	Thursday, November 02, 2017 10:20:42 AM
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To: Sarah Harris
Subject: IESO

As requested.

Ontario
LeRoy Ahyee
Settlements Officer | Ontario Financing Authority
Ph: 416-325-8076 | Cell: 416-473-1081
LeRoy.Ahyee@ofina.on.ca

Ontario Financing Authority

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Project: Regulated Price Plan Variance

Schedule of loan transactions to: 01-Nov-2017

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Per: K Marshall

Kimberly Marshall
VP Corporate Services, CFO and Treasurer

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Line of Credit Grid Note

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The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement, and are not being used for any other purpose.

Yours truly,
INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: K Marshall

Kimberly Marshall
VP Corporate Services, CFO and Treasurer

From: Sarah Harris
To: Anna Strathy
Subject: FW: Intercept Letter
Date: Friday, November 03, 2017 11:12:29 AM

FYI

From: John Kim
Sent: Friday, November 03, 2017 11:12 AM
To: 'Victor Buza' ; Anthony Martinello
Cc: Lisa Stein ; William Tan ; Sarah Harris ; Gavin He
Subject: RE: Intercept Letter

Hi Anthony, Victor,
I understand there are some logistic challenges on your end. We have some as well.
Could we commit to execute these items, the letter agreement and credit facilities, on Monday with the understanding that the only reason is logistics.
Thanks,
John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, November 02, 2017 6:04 PM
To: John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept Letter

Just to let everyone know, we received the three original copies of the Intercept Letter already signed by MOE and OFA.
Will have them executed tomorrow along with the other OFA document and return two original copies as you directed below – plus circulate the electronic version.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: November 02, 2017 3:56 PM
To: Anthony Martinello; Victor Buza
Cc: Lisa Stein; William Tan; Sarah Harris; Gavin He
Subject: RE: Intercept Letter

Hi Anthony, Victor,
When signed at IESO, pls. send one copy to us and one to Energy. An electronic version would be helpful.
Thanks,
John

From: Sarah Harris
Sent: Thursday, November 02, 2017 12:58 PM
To: Anthony.Martinello@ieso.ca; Victor.Buza@ieso.ca
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: Intercept Letter

Hello Victor and Anthony,
The intercept letter has been signed off by Energy, and it will be hand-delivered to IESO

shortly.
Thanks,
Sarah

Sent from my iPhone

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From: Sarah Harris
To: Opal Kandelas
Subject: FW: Intercept Letter
Date: Friday, November 03, 2017 11:16:21 AM

From: John Kim
Sent: Friday, November 03, 2017 11:12 AM
To: 'Victor Buza' ; Anthony Martinello
Cc: Lisa Stein ; William Tan ; Sarah Harris ; Gavin He
Subject: RE: Intercept Letter

Hi Anthony, Victor,
I understand there are some logistic challenges on your end. We have some as well.
Could we commit to execute these items, the letter agreement and credit facilities, on Monday with the understanding that the only reason is logistics.
Thanks,
John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, November 02, 2017 6:04 PM
To: John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept Letter

Just to let everyone know, we received the three original copies of the Intercept Letter already signed by MOE and OFA.
Will have them executed tomorrow along with the other OFA document and return two original copies as you directed below – plus circulate the electronic version.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: November 02, 2017 3:56 PM
To: Anthony Martinello; Victor Buza
Cc: Lisa Stein; William Tan; Sarah Harris; Gavin He
Subject: RE: Intercept Letter

Hi Anthony, Victor,
When signed at IESO, pls. send one copy to us and one to Energy. An electronic version would be helpful.
Thanks,
John

From: Sarah Harris
Sent: Thursday, November 02, 2017 12:58 PM
To: Anthony.Martinello@ieso.ca; Victor.Buza@ieso.ca
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: Intercept Letter

Hello Victor and Anthony,
The intercept letter has been signed off by Energy, and it will be hand-delivered to IESO shortly.
Thanks,

Sarah

Sent from my iPhone

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From: [Kim, John](mailto:John.Kim@ofina.on.ca)
To: [Tom McKinlay](mailto:Tom.McKinlay@ontario.ca); [Stokes, Tim](mailto:Tim.Stokes@ieso.ca)
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Wednesday, November 01, 2017 12:26:12 PM

FYI

-----Original Message-----
From: John Kim
Sent: Wednesday, November 01, 2017 12:02 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom,

I'm getting the letter signed in a few minutes. So ETA is this afternoon.

Also, Ron pointed out that this agreement could be executed in part which I understand to mean separately so will fire that off to both Energy and IESO.

John

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, November 01, 2017 11:59 AM
To: John Kim <John.Kim@ofina.on.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

John,

Coming out of this morning's rate mitigation meeting, I understand that the draft is final and that we are supposed to be getting an execution copy for Steen to sign sometime shortly? I have been asked to inquire as to what the ETA for that might be?

Thanks!
Tom.

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 1:49 PM
To: Victor Buza'
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bell; He, Gavin (OFA); McKinlay, Tom (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreement.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buza
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bell; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: 'Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bell; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>; Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Anthony.Martinello@ieso.ca>; 'Michael Bell' <Michael.Bell@ieso.ca>; Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>; Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Anthony.Martinello@ieso.ca>; 'Michael Bell' <Michael.Bell@ieso.ca>; Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: 'Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; Michael Bell'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; mailto:John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; mailto:Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1

Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fdata-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C0abd84f198da4cf0a8d8-257C0-2Fdata-3D0MM3dRcWwG1hMb5LqIqE-253D-26reserved-3D0-5Bieso.ca-5D-5Bieso0.safelinks.protection.outlook.com-2F%2Dc%2Dca%2Fe%2Dq%2Fe%2Fq%2Dq%2Fen%2Fwf%2FFHCr1_eykjs0tFtQ%2Fe

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From:	Sarah Harris
To:	Opal Kandelas; William Tan
Subject:	FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date:	Tuesday, September 26, 2017 9:55:49 AM

FYI – intercept letter still in the works with counsel for Energy and IESO…

From: John Kim
Sent: Monday, September 25, 2017 4:37 PM
To: Anna Strathy ; Lisa Stein
Cc: Sarah Neville ; Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Anna,

Heard back from Tom McKinlay at Energy Legal. It was an email issue as he is now back at MAG but still working on FHP for Energy. I touched base with him on the phone and he will circle back with his clients, as well as IESO counterparts.

Sounded like he sees it as the cleanest path forward. So fingers crossed.

Thanks,

John

From: Anna Strathy
Sent: Monday, September 25, 2017 11:50 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Thanks John. Gadi is in NYC until Wednesday. Happy for Ron to escalate this to get the ball rolling. If you could let me know where things stand at the end of today, I'll include an update in my end of day email to Gadi.

Thanks, Anna

From: John Kim
Sent: Monday, September 25, 2017 11:43 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Anna,

No update so far which isn't surprising. I think a bit of escalating might be helpful so I will chat with Ron today. You may want to give Gadi an update as well.

At least on the phone, IESO staff were receptive.

John

From: Anna Strathy
Sent: Monday, September 25, 2017 11:38 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi John, Lisa,

Any update on this letter? Has IESO reviewed?

Thanks, Anna

From: Sarah Neville
Sent: Friday, September 22, 2017 5:00 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi All – As far as I am aware there were no developments on this today. I will be out of the office on Monday (back Tuesday), but Lisa will be back on Monday to handle this for Legal (although working from home so please reach her through email or messenger).
Have a good weekend everyone.
Sarah

From: Sarah Harris
Sent: Thursday, September 21, 2017 4:02 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

I'm fine with it too. I will also be working from home tomorrow. It must that kind of Friday.
John – would you kindly send draft directly to Anthony (and Victor?) for their consideration?
Sarah

From: Sarah Neville
Sent: Thursday, September 21, 2017 3:51 PM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Sounds good to me. I will be online all day but working from home. Hope all is well with your family.
Sarah

From: John Kim
Sent: Thursday, September 21, 2017 3:48 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Sarah and Sarah,
Unfortunately, we haven't heard back from Energy Legal thus far. My suggestion, if OK with you, is that we share the draft with IESO staff as well.
I have some family obligations that came up for tomorrow so won't be in the office but will check my emails for this item.
Thanks,
John

From: Sarah Neville
Sent: Thursday, September 21, 2017 11:38 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi John – tweaked the acknowledgement to make it mutual as between all and to narrow the

reference to appropriations so that it is clear it is not any MOE appropriation but only that destined for the IESO.
Sarah

From: Sarah Harris
To: Opal Kandelas; William Tan
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date: Monday, September 25, 2017 11:50:59 AM

FYI

From: Anna Strathy
Sent: Monday, September 25, 2017 11:50 AM
To: John Kim ; Lisa Stein
Cc: Sarah Neville ; Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Thanks John. Gadi is in NYC until Wednesday. Happy for Ron to escalate this to get the ball rolling. If you could let me know where things stand at the end of today, I'll include an update in my end of day email to Gadi.

Thanks, Anna

From: John Kim
Sent: Monday, September 25, 2017 11:43 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Anna,

No update so far which isn't surprising. I think a bit of escalating might be helpful so I will chat with Ron today. You may want to give Gadi an update as well.

At least on the phone, IESO staff were receptive.

John

From: Anna Strathy
Sent: Monday, September 25, 2017 11:38 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi John, Lisa,

Any update on this letter? Has IESO reviewed?

Thanks, Anna

From: Sarah Neville
Sent: Friday, September 22, 2017 5:00 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi All – As far as I am aware there were no developments on this today. I will be out of the office on Monday (back Tuesday), but Lisa will be back on Monday to handle this for Legal (although working from home so please reach her through email or messenger).

Have a good weekend everyone.

Sarah

From: Sarah Harris
Sent: Thursday, September 21, 2017 4:02 PM

To: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

I'm fine with it too. I will also be working from home tomorrow. It must that kind of Friday.
John – would you kindly send draft directly to Anthony (and Victor?) for their consideration?
Sarah

From: Sarah Neville
Sent: Thursday, September 21, 2017 3:51 PM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Sounds good to me. I will be online all day but working from home. Hope all is well with your family.
Sarah

From: John Kim
Sent: Thursday, September 21, 2017 3:48 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Sarah and Sarah,
Unfortunately, we haven't heard back from Energy Legal thus far. My suggestion, if OK with you, is that we share the draft with IESO staff as well.
I have some family obligations that came up for tomorrow so won't be in the office but will check my emails for this item.
Thanks,
John

From: Sarah Neville
Sent: Thursday, September 21, 2017 11:38 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi John – tweaked the acknowledgement to make it mutual as between all and to narrow the reference to appropriations so that it is clear it is not any MOE appropriation but only that destined for the IESO.
Sarah

From:	Sarah Harris
To:	William Tan
Subject:	FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx
Date:	Wednesday, September 20, 2017 11:36:23 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx

Hi Will,

Please review. John will add in any language on pleasantries.

Sarah

From: Lisa Stein

Sent: Wednesday, September 20, 2017 9:41 AM

To: John Kim ; Sarah Harris

Cc: Sarah Neville

Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx

Good morning John and Sarah,

Further to our meeting yesterday, please see the attached draft points to be included in a letter agreement from the OFA, addressed to both the IESO and MOE.

Please add in the appropriate details, including addressees and signature lines, and send it back to legal for final review. Happy to discuss.

Thanks,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

I am writing in relation to the IESO's request for a new revolving credit facility in an amount of up to $2 billion from the OFA (the "New Credit Facility") to support its role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

Pursuant to the OFA Lending Policy, the OFA is required to include an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct amounts equal to any amounts the public body fails to pay the OFA under a loan agreement from money appropriated by the Legislature for payment to the public body.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement. These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

As such, the OFA, the IESO, and MOE agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):

- Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and MOE agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance is entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").

- Under the intercept provision, which shall be included in the Loan Agreements, the IESO also agrees that any notice from the OFA to the Minister of Finance in relation to its failure to pay under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

- Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with MOE and seek MOE's support in getting the IESO to pay the amounts owing within a reasonable cure period.

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, MOE will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and

DRAFT

expected timing of such payments to be made by MOE. Upon request, MOE will provide similar information to the Minister of Finance.

- MOE acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, MOE will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

DRAFT

From:	Sarah Harris
To:	William Tan
Subject:	FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx
Date:	Wednesday, September 20, 2017 11:36:23 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx

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Sent: Wednesday, September 20, 2017 9:41 AM

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Cc: Sarah Neville

Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx

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Please add in the appropriate details, including addressees and signature lines, and send it back to legal for final review. Happy to discuss.

Thanks,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

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This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

DRAFT

From: Sarah Harris
To: Sarah Harris
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 2:11:52 PM

Called Will. Asked him if he had spoken to Anthony or otherwise described what was going on with how the AA#10 execution vs. effective date would occur. He said he tried calling Anthony and left him an e-mail to please call him. Will said he didn't hear back. I told Will you can't send out a larger amendment without either communicating it in the e-mail or phoning first, otherwise it causes confusion. He'll e-mail everyone right now.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:58 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Lisa,

I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw….what are your thoughts then?

The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.

John

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:55 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No - the amount of the existing facility needs to be reduced first.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:54 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Why November 22?

Wouldn't it be effective right away?

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:53 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: Victor Buzz' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buza
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Boll; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Boll; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buza' <Victor.Buza@ieso.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Boll' <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; Victor Buza' <Victor.Buza@ieso.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Boll' <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; Michael Boll'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1

Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fdata-3D01-257C01-257C.victor.buza-2540ieso.ca-257Cfabdb8f1958bdbe8fcd8b4209bf51ae06b0-257C7cd55abd83f243c5f84bd38ea458add8%7C0-26data-3DMMXdRcWwG21WfMPIDkIZUoAkmhrbnW6UsMh5LdIqE-253D-26reserved-3D-5Bieso.ca-5D-5Bieso01.safelinks.protection.outlook.com-2F%2Fc%2Fdoc%2Fbf%2Fa926c5c3f3ad_-2DYucLTZOaBAapRaQkKEgrMWFFIBGU1_eykjo6FtFQ%2526%2526d%253DAwIGaQ%2526c%253DkzbZu6bDpWG1kpv4dXj5SWTyWFTvyh6C1U_U_V%2526r%253Dpx_ENQ5qIwC2hbgQXqzn6Lzbr4ufzfDKRVYIg3ww%2526m%253DcTZnMQW41Ipv4dXj5SWTyWFTvyh6C1U_U_V%2526s%253DAwIGaQ%2526t%253D1509458076%257C7cd55abd83f243c5f84bd38ea458add8%257C0-26data-3D0%257C0%257Cvictor.buza%40ieso.ca%257Cae3e58c1f8943481f3008d52380f5d87%257C7cd55abd83f243c5f84bd38ea458add8%257C0-26sdata-3DgBqIa63Jb2FBNz9eVWYaK4hdBU-2FDGRDKSKcqRiUDfQ%253D-26reserved-3D-3E%2526h%253Dhttps-253A-2F-2Furldefense.proofpoint.com-2Fv2-2Furl-2Fu-2D-3Fna01.safelinks.protection.outlook.com-2Furl-2Dhttps-253A-2F-2Furldefense.proofpoint.com-2Fv2-2Furl-2Fu-2D-3Fna01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-2F-2Furldefense.proofpoint.com-2Fv2-2Furl-2Fu-2D-3Fwww.ieso.ca-2F-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DZnvtf746GhtlYf8IBBpYfcU8D-2526m-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3D0-257C0-257Cvictor.buza-2540ieso.ca-257Cae3e58c1f8943481f3008d52380f5d87-257C7cd55abd83f243c5f84bd38ea458add8-257C0-26sdata-3DvJ8Ow8Nnhnlyv7ud5-2BGM-2526c-253DBOkdNqzvaFwZ0xTN-2526d-253DAwIGaQ-2526e-253D-26data-3D01-257C01-257Cvictor.buza-2540ieso.ca-257Cae3e58c1f8943481f3008d52380f5d87-257C0-26sdata-3DvBUVWBHSc4bqUuKlyxyuKVo-2526l-252B5-252BHVCL1JqNYLrxAM-2526t-26reserved-3D%2526d%253DDwMFAg%2526c%253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1_eykjo6FtFQ%2526r%253DnpMfmAPGKEZpZqUqaAMA-2526s%253DbtNnhnlyVuKIxJ02-2526t%253D1509458076257C7cd55abd83f243c5f84bd38ea458add8%257C0-26data-3DBOkdNqzvaFwZ0xTNLTwitter-3ESO_Twee-2Dbutton.com%2Fintl.safelinks.protection.outlook.com%2Furl-3Dhttps%2526h%253Dhttps-253A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-2F-2Furldefense.proofpoint.com-2Fv2-2Furl-2Fu-2D-3Fwww.twitter.com-2Fieso-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTNLinkedIn-2DIESO-2Dtwitter-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTNLinkedIn-2DIESO-2Dtwitter-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTNLinkedIn-2DIESO-2Dtwitter-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTNLinkedIn-2DIESO-2Dtwitter-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTN 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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:31 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-0996

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From: Sarah Harris
To: Sarah Harris
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 2:11:52 PM

Called Will. Asked him if he had spoken to Anthony or otherwise described what was going on with how the AA#10 execution vs. effective date would occur. He said he tried calling Anthony and left him an e-mail to please call him. Will said he didn't hear back. I told Will you can't send out a larger amendment without either communicating it in the e-mail or phoning first, otherwise it causes confusion. He'll e-mail everyone right now.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:58 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Lisa,

I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw….what are your thoughts then?

The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.

John

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:55 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No - the amount of the existing facility needs to be reduced first.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:54 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Why November 22?

Wouldn't it be effective right away?

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:53 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: Victor Buzz' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buza
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Boll; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Boll; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buza' <Victor.Buza@ieso.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Boll' <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; Victor Buza' <Victor.Buza@ieso.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Boll' <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; Michael Boll'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1

Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fdata-3D01-257C01-257C.victor.buza-2540ieso.ca-257Cfabdb8f1958bdbe8fcd8b4209bf51ae06b0-257C7cd55abd83f243c5f84bd38ea458add8%7C0-26data-3DMMXdRcWwG21WfMPIDkIZUoAkmhrbnW6UsMh5LdIqE-253D-26reserved-3D-5Bieso.ca-5D-5Bieso01.safelinks.protection.outlook.com-2F%2Fc%2Fdoc%2Fbf%2Fa926c5c3f3ad_-2DYucLTZOaBAapRaQkKEgrMWFFIBGU1_eykjo6FtFQ%2526%2526d%253DAwIGaQ%2526c%253DkzbZu6bDpWG1kpv4dXj5SWTyWFTvyh6C1U_U_V%2526r%253Dpx_ENQ5qIwC2hbgQXqzn6Lzbr4ufzfDKRVYIg3ww%2526m%253DcTZnMQW41Ipv4dXj5SWTyWFTvyh6C1U_U_V%2526s%253DAwIGaQ%2526t%253D1509458076%257C7cd55abd83f243c5f84bd38ea458add8%257C0-26data-3D0%257C0%257Cvictor.buza%40ieso.ca%257Cae3e58c1f8943481f3008d52380f5d87%257C7cd55abd83f243c5f84bd38ea458add8%257C0-26sdata-3DgBqIa63Jb2FBNz9eVWYaK4hdBU-2FDGRDKSKcqRiUDfQ%253D-26reserved-3D-3E%2526h%253Dhttps-253A-2F-2Furldefense.proofpoint.com-2Fv2-2Furl-2Fu-2D-3Fna01.safelinks.protection.outlook.com-2Furl-2Dhttps-253A-2F-2Furldefense.proofpoint.com-2Fv2-2Furl-2Fu-2D-3Fna01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-2F-2Furldefense.proofpoint.com-2Fv2-2Furl-2Fu-2D-3Fwww.ieso.ca-2F-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DZnvtf746GhtlYf8IBBpYfcU8D-2526m-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3D0-257C0-257Cvictor.buza-2540ieso.ca-257Cae3e58c1f8943481f3008d52380f5d87-257C7cd55abd83f243c5f84bd38ea458add8-257C0-26sdata-3DvJ8Ow8Nnhnlyv7ud5-2BGM-2526c-253DBOkdNqzvaFwZ0xTN-2526d-253DAwIGaQ-2526e-253D-26data-3D01-257C01-257Cvictor.buza-2540ieso.ca-257Cae3e58c1f8943481f3008d52380f5d87-257C0-26sdata-3DvBUVWBHSc4bqUuKlyxyuKVo-2526l-252B5-252BHVCL1JqNYLrxAM-2526t-26reserved-3D%2526d%253DDwMFAg%2526c%253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1_eykjo6FtFQ%2526r%253DnpMfmAPGKEZpZqUqaAMA-2526s%253DbtNnhnlyVuKIxJ02-2526t%253D1509458076257C7cd55abd83f243c5f84bd38ea458add8%257C0-26data-3DBOkdNqzvaFwZ0xTNLTwitter-3ESO_Twee-2Dbutton.com%2Fintl.safelinks.protection.outlook.com%2Furl-3Dhttps%2526h%253Dhttps-253A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-2F-2Furldefense.proofpoint.com-2Fv2-2Furl-2Fu-2D-3Fwww.twitter.com-2Fieso-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTNLinkedIn-2DIESO-2Dtwitter-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTNLinkedIn-2DIESO-2Dtwitter-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTNLinkedIn-2DIESO-2Dtwitter-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTNLinkedIn-2DIESO-2Dtwitter-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTN 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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:31 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-0996

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From: Sarah Harris
To: Sarah Harris
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 2:11:52 PM

Called Will. Asked him if he had spoken to Anthony or otherwise described what was going on with how the AA#10 execution vs. effective date would occur. He said he tried calling Anthony and left him an e-mail to please call him. Will said he didn't hear back. I told Will you can't send out a larger amendment without either communicating it in the e-mail or phoning first, otherwise it causes confusion. He'll e-mail everyone right now.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:58 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Lisa,

I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw….what are your thoughts then?

The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.

John

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:55 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No - the amount of the existing facility needs to be reduced first.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:54 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Why November 22?

Wouldn't it be effective right away?

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:53 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: Victor Buzz' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buza
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Boll; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Boll; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buza' <Victor.Buza@ieso.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Boll' <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; Victor Buza' <Victor.Buza@ieso.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Boll' <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; Michael Boll'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1

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Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-0996

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From: Sarah Harris
To: Sarah Harris
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 2:11:52 PM

Called Will. Asked him if he had spoken to Anthony or otherwise described what was going on with how the AA#10 execution vs. effective date would occur. He said he tried calling Anthony and left him an e-mail to please call him. Will said he didn't hear back. I told Will you can't send out a larger amendment without either communicating it in the e-mail or phoning first, otherwise it causes confusion. He'll e-mail everyone right now.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:58 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Lisa,

I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw….what are your thoughts then?

The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.

John

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:55 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No - the amount of the existing facility needs to be reduced first.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:54 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Why November 22?

Wouldn't it be effective right away?

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:53 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: Victor Buzz' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buza
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Boll; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Boll; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buza' <Victor.Buza@ieso.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Boll' <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; Victor Buza' <Victor.Buza@ieso.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Boll' <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; Michael Boll'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
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Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fdata-3D01-257C01-257C.victor.buza-2540ieso.ca-257Cfabdb8f1958bdbe8fcd8b4209bf51ae06b0-257C7cd55abd83f243c5f84bd38ea458add8%7C0-26data-3DMMXdRcWwG21WfMPIDkIZUoAkmhrbnW6UsMh5LdIqE-253D-26reserved-3D-5Bieso.ca-5D-5Bieso01.safelinks.protection.outlook.com-2F%2Fc%2Fdoc%2Fbf%2Fa926c5c3f3ad_-2DYucLTZOaBAapRaQkKEgrMWFFIBGU1_eykjo6FtFQ%2526%2526d%253DAwIGaQ%2526c%253DkzbZu6bDpWG1kpv4dXj5SWTyWFTvyh6C1U_U_V%2526r%253Dpx_ENQ5qIwC2hbgQXqzn6Lzbr4ufzfDKRVYIg3ww%2526m%253DcTZnMQW41Ipv4dXj5SWTyWFTvyh6C1U_U_V%2526s%253DAwIGaQ%2526t%253D1509458076%257C7cd55abd83f243c5f84bd38ea458add8%257C0-26data-3D0%257C0%257Cvictor.buza%40ieso.ca%257Cae3e58c1f8943481f3008d52380f5d87%257C7cd55abd83f243c5f84bd38ea458add8%257C0-26sdata-3DgBqIa63Jb2FBNz9eVWYaK4hdBU-2FDGRDKSKcqRiUDfQ%253D-26reserved-3D-3E%2526h%253Dhttps-253A-2F-2Furldefense.proofpoint.com-2Fv2-2Furl-2Fu-2D-3Fna01.safelinks.protection.outlook.com-2Furl-2Dhttps-253A-2F-2Furldefense.proofpoint.com-2Fv2-2Furl-2Fu-2D-3Fna01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-2F-2Furldefense.proofpoint.com-2Fv2-2Furl-2Fu-2D-3Fwww.ieso.ca-2F-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DZnvtf746GhtlYf8IBBpYfcU8D-2526m-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3D0-257C0-257Cvictor.buza-2540ieso.ca-257Cae3e58c1f8943481f3008d52380f5d87-257C7cd55abd83f243c5f84bd38ea458add8-257C0-26sdata-3DvJ8Ow8Nnhnlyv7ud5-2BGM-2526c-253DBOkdNqzvaFwZ0xTN-2526d-253DAwIGaQ-2526e-253D-26data-3D01-257C01-257Cvictor.buza-2540ieso.ca-257Cae3e58c1f8943481f3008d52380f5d87-257C0-26sdata-3DvBUVWBHSc4bqUuKlyxyuKVo-2526l-252B5-252BHVCL1JqNYLrxAM-2526t-26reserved-3D%2526d%253DDwMFAg%2526c%253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1_eykjo6FtFQ%2526r%253DnpMfmAPGKEZpZqUqaAMA-2526s%253DbtNnhnlyVuKIxJ02-2526t%253D1509458076257C7cd55abd83f243c5f84bd38ea458add8%257C0-26data-3DBOkdNqzvaFwZ0xTNLTwitter-3ESO_Twee-2Dbutton.com%2Fintl.safelinks.protection.outlook.com%2Furl-3Dhttps%2526h%253Dhttps-253A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-2F-2Furldefense.proofpoint.com-2Fv2-2Furl-2Fu-2D-3Fwww.twitter.com-2Fieso-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTNLinkedIn-2DIESO-2Dtwitter-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTNLinkedIn-2DIESO-2Dtwitter-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTNLinkedIn-2DIESO-2Dtwitter-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTNLinkedIn-2DIESO-2Dtwitter-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZOaBAapRaQkKEgrMWFFIBGU1-5Feykjo6FtFQ-2526r-253DnpMfmAPGKEZpZqUqaAMA-2526s-253DbtNnhnlyVuKIxJ02-2526t-253D1509458076257C7cd55abd83f243c5f84bd38ea458add8-257C0-26data-3DBOkdNqzvaFwZ0xTN 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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:31 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-0996

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From: Lisa Stein
To: Sarah Harris; William Tan
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Monday, October 30, 2017 12:00:09 PM

FYI

-----Original Message-----
From: John Kim
Sent: Monday, October 30, 2017 11:52 AM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Great, thanks Tom.

Anthony, we will wait for your outreach to the OFA to be done and start the signing when you're ready.

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Monday, October 30, 2017 11:48 AM
To: John Kim <John.Kim@ofina.on.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

_____
From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: 'Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Boll; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself – so we will need to see a revised version of this document;

(ii) Intercept Letter – I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement – we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language – I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>; 'Victor Buza' <Victor.Buza@ieso.ca<mailto:Victor.Buza@ieso.ca>>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca<mailto:Lisa.Stein@ofina.on.ca>>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca<mailto:Anthony.Martinello@ieso.ca>>; 'Michael Boll' <Michael.Boll@ieso.ca<mailto:Michael.Boll@ieso.ca>>; Gavin He <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca<mailto:John.Kim@ofina.on.ca>>; 'Victor Buza' <Victor.Buza@ieso.ca<mailto:Victor.Buza@ieso.ca>>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca<mailto:Lisa.Stein@ofina.on.ca>>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca<mailto:Anthony.Martinello@ieso.ca>>; 'Michael Boll' <Michael.Boll@ieso.ca<mailto:Michael.Boll@ieso.ca>>; Gavin He <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: 'Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; 'Michael Boll'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca<mailto:Victor.Buza@ieso.ca>>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca<mailto:Lisa.Stein@ofina.on.ca>>; Anthony Martinello <Anthony.Martinello@ieso.ca<mailto:Anthony.Martinello@ieso.ca>>; Michael Boll <Michael.Boll@ieso.ca<mailto:Michael.Boll@ieso.ca>>; Gavin He <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca<mailto:John.Kim@ofina.on.ca>>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca<mailto:Lisa.Stein@ofina.on.ca>>; Anthony Martinello <Anthony.Martinello@ieso.ca<mailto:Anthony.Martinello@ieso.ca>>; Michael Boll <Michael.Boll@ieso.ca<mailto:Michael.Boll@ieso.ca>>; Gavin He <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph – please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.ieso.ca-5F-2526d-253DDwMFAg-2526c-253DqG-5FYucLTZOaBAapRaQkKEgrMWFFI0Cr1-5Feykjn9FtiQ-2526r-253Dvn974l4Gh8tIV98Bb8pVR6JLssl4HFYxq7uOGJzA6I0-2526m-253DnpM8mAPGKEZp2AjQiaAMA-2D6ndNnhn0yVodUxI02-2Db3M-2526s-253DRoMlqexsFwZIn3N-2D4cK3lwdp8xOuTYMgwebClCMJInU-2526e-253D-26data-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C2ceb1a3f5ec648cb7e9a08d51f920100-257C7cd55abd63f243c58f4bd38ea458add8-257C0-26sdata-3Dx8UVB8BScMogJnKOuApzyKVe-252BJ-252BS-252B8YCLUlpNYLruAM-253D-26reserved-3D0&d=DwMFAg&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=vn974l4Gh8tIV98Bb8pVR6JLssl4HFYxq7uOGJzA6I0&m=KzutQ0mwHm21hhYHkaTcSo5IzLi7n_ih_u6kFl1AEhI&s=AkpcaR3s_2aUx6FkSEAs9mmvAsIAB6G6IK9EnoofDDE&e=> | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com]<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.twitter.com-5Fieso-2D5Ftweets-2526d-253DDwMFAg-2526c-253DqG-5FYucLTZOaBAapRaQkKEgrMWFFI0Cr1-5Feykjn9FtiQ-2526r-253Dvn974l4Gh8tIV98Bb8pVR6JLssl4HFYxq7uOGJzA6I0-2526m-253DnpM8mAPGKEZp2AjQiaAMA-2D6ndNnhn0yVodUxI02-2Db3M-2526s-253DziYHj-2D1T4D-2DBOf9ORYVLVshF8T3ciDduqoMnF60f-5FVA-2526e-253D-26data-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C2ceb1a3f5ec648cb7e9a08d51f920100-257C7cd55abd63f243c58f4bd38ea458add8-257C0-26sdata-3Dh3kacsOEER0mi0zOzpXv3sO-252Fxd1nSLSrHhtROey4kpo-253D-26reserved-3D0&d=DwMFAg&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=vn974l4Gh8tIV98Bb8pVR6JLssl4HFYxq7uOGJzA6I0&m=KzutQ0mwHm21hhYHkaTcSo5IzLi7n_ih_u6kFl1AEhI&s=86XMvwSvHzdO5aeU0tK2E_j9SZBs1gLIiIG13AO0mOo&e=> | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttps-2D3A-5F-5Fwww.linkedin.com-5Fcompany-5Fieso-2526d-253DDwMFAg-2526c-253DqG-5FYucLTZOaBAapRaQkKEgrMWFFI0Cr1-5Feykjn9FtiQ-2526r-253Dvn974l4Gh8tIV98Bb8pVR6JLssl4HFYxq7uOGJzA6I0-2526m-253DnpM8mAPGKEZp2AjQiaAMA-2D6ndNnhn0yVodUxI02-2Db3M-2526s-253Dh3nph5fKrcD0Cvq9ns3-5F2hDCOJSm99sNfkjUg0Capfk-2526e-253D-26data-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C2ceb1a3f5ec648cb7e9a08d51f920100-257C7cd55abd63f243c58f4bd38ea458add8-257C0-26sdata-3D1H-252FWyxU7wWSW7CZMwfu0FF6GiddW-252BD7He6y-252FalwSAoY-253D-26reserved-3D0&d=DwMFAg&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=vn974l4Gh8tIV98Bb8pVR6JLssl4HFYxq7uOGJzA6I0&m=KzutQ0mwHm21hhYHkaTcSo5IzLi7n_ih_u6kFl1AEhI&s=CVLxBPXjcn5ZZ65nSP_p94t-WhwzTGk5LCfGFjm3qHs&e=>

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-6996

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From: Lisa Stein
To: Sarah Harris; William Tan
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Monday, October 30, 2017 12:00:09 PM

FYI

-----Original Message-----
From: John Kim
Sent: Monday, October 30, 2017 11:52 AM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Great, thanks Tom.

Anthony, we will wait for your outreach to the OFA to be done and start the signing when you're ready.

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Monday, October 30, 2017 11:48 AM
To: John Kim <John.Kim@ofina.on.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

_____
From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: 'Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Boll; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself – so we will need to see a revised version of this document;

(ii) Intercept Letter – I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement – we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language – I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>; 'Victor Buza' <Victor.Buza@ieso.ca<mailto:Victor.Buza@ieso.ca>>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca<mailto:Lisa.Stein@ofina.on.ca>>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca<mailto:Anthony.Martinello@ieso.ca>>; 'Michael Boll' <Michael.Boll@ieso.ca<mailto:Michael.Boll@ieso.ca>>; Gavin He <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca<mailto:John.Kim@ofina.on.ca>>; 'Victor Buza' <Victor.Buza@ieso.ca<mailto:Victor.Buza@ieso.ca>>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca<mailto:Lisa.Stein@ofina.on.ca>>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca<mailto:Anthony.Martinello@ieso.ca>>; 'Michael Boll' <Michael.Boll@ieso.ca<mailto:Michael.Boll@ieso.ca>>; Gavin He <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: 'Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; 'Michael Boll'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca<mailto:Victor.Buza@ieso.ca>>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca<mailto:Lisa.Stein@ofina.on.ca>>; Anthony Martinello <Anthony.Martinello@ieso.ca<mailto:Anthony.Martinello@ieso.ca>>; Michael Boll <Michael.Boll@ieso.ca<mailto:Michael.Boll@ieso.ca>>; Gavin He <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca<mailto:John.Kim@ofina.on.ca>>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca<mailto:Lisa.Stein@ofina.on.ca>>; Anthony Martinello <Anthony.Martinello@ieso.ca<mailto:Anthony.Martinello@ieso.ca>>; Michael Boll <Michael.Boll@ieso.ca<mailto:Michael.Boll@ieso.ca>>; Gavin He <Gavin.He@ofina.on.ca<mailto:Gavin.He@ofina.on.ca>>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph – please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.ieso.ca-5F-2526d-253DDwMFAg-2526c-253DqG-5FYucLTZOaBAapRaQkKEgrMWFFI0Cr1-5Feykjn9FtiQ-2526r-253Dvn974l4Gh8tIV98Bb8pVR6JLssl4HFYxq7uOGJzA6I0-2526m-253DnpM8mAPGKEZp2AjQiaAMA-2D6ndNnhn0yVodUxI02-2Db3M-2526s-253DRoMlqexsFwZIn3N-2D4cK3lwdp8xOuTYMgwebClCMJInU-2526e-253D-26data-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C2ceb1a3f5ec648cb7e9a08d51f920100-257C7cd55abd63f243c58f4bd38ea458add8-257C0-26sdata-3Dx8UVB8BScMogJnKOuApzyKVe-252BJ-252BS-252B8YCLUlpNYLruAM-253D-26reserved-3D0&d=DwMFAg&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=vn974l4Gh8tIV98Bb8pVR6JLssl4HFYxq7uOGJzA6I0&m=KzutQ0mwHm21hhYHkaTcSo5IzLi7n_ih_u6kFl1AEhI&s=AkpcaR3s_2aUx6FkSEAs9mmvAsIAB6G6IK9EnoofDDE&e=> | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com]<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.twitter.com-5Fieso-2D5Ftweets-2526d-253DDwMFAg-2526c-253DqG-5FYucLTZOaBAapRaQkKEgrMWFFI0Cr1-5Feykjn9FtiQ-2526r-253Dvn974l4Gh8tIV98Bb8pVR6JLssl4HFYxq7uOGJzA6I0-2526m-253DnpM8mAPGKEZp2AjQiaAMA-2D6ndNnhn0yVodUxI02-2Db3M-2526s-253DziYHj-2D1T4D-2DBOf9ORYVLVshF8T3ciDduqoMnF60f-5FVA-2526e-253D-26data-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C2ceb1a3f5ec648cb7e9a08d51f920100-257C7cd55abd63f243c58f4bd38ea458add8-257C0-26sdata-3Dh3kacsOEER0mi0zOzpXv3sO-252Fxd1nSLSrHhtROey4kpo-253D-26reserved-3D0&d=DwMFAg&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=vn974l4Gh8tIV98Bb8pVR6JLssl4HFYxq7uOGJzA6I0&m=KzutQ0mwHm21hhYHkaTcSo5IzLi7n_ih_u6kFl1AEhI&s=86XMvwSvHzdO5aeU0tK2E_j9SZBs1gLIiIG13AO0mOo&e=> | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttps-2D3A-5F-5Fwww.linkedin.com-5Fcompany-5Fieso-2526d-253DDwMFAg-2526c-253DqG-5FYucLTZOaBAapRaQkKEgrMWFFI0Cr1-5Feykjn9FtiQ-2526r-253Dvn974l4Gh8tIV98Bb8pVR6JLssl4HFYxq7uOGJzA6I0-2526m-253DnpM8mAPGKEZp2AjQiaAMA-2D6ndNnhn0yVodUxI02-2Db3M-2526s-253Dh3nph5fKrcD0Cvq9ns3-5F2hDCOJSm99sNfkjUg0Capfk-2526e-253D-26data-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C2ceb1a3f5ec648cb7e9a08d51f920100-257C7cd55abd63f243c58f4bd38ea458add8-257C0-26sdata-3D1H-252FWyxU7wWSW7CZMwfu0FF6GiddW-252BD7He6y-252FalwSAoY-253D-26reserved-3D0&d=DwMFAg&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=vn974l4Gh8tIV98Bb8pVR6JLssl4HFYxq7uOGJzA6I0&m=KzutQ0mwHm21hhYHkaTcSo5IzLi7n_ih_u6kFl1AEhI&s=CVLxBPXjcn5ZZ65nSP_p94t-WhwzTGk5LCfGFjm3qHs&e=>

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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Pls. also let me know who at IESO would sign.

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John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-6996

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From:	John Kim
To:	Lisa Stein
Cc:	Sarah Neville; Sarah Harris; William Tan; Gavin He
Subject:	FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date:	Tuesday, October 24, 2017 5:24:37 PM

Hi Lisa,

Are we able to work with the #1 below?

Thanks,

John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim ; Tom McKinlay (MAG)
Cc: Lisa Stein ; Anthony Martinello ; Michael Boll ; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.
3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
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Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well. Pls. also let me know who at IESO would sign.

Thanks,
John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	Sarah Harris
To:	Opal Kandelas; William Tan
Subject:	FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date:	Tuesday, September 26, 2017 9:55:49 AM

FYI – intercept letter still in the works with counsel for Energy and IESO…

From: John Kim
Sent: Monday, September 25, 2017 4:37 PM
To: Anna Strathy ; Lisa Stein
Cc: Sarah Neville ; Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Anna,

Heard back from Tom McKinlay at Energy Legal. It was an email issue as he is now back at MAG but still working on FHP for Energy. I touched base with him on the phone and he will circle back with his clients, as well as IESO counterparts.

Sounded like he sees it as the cleanest path forward. So fingers crossed.

Thanks,

John

From: Anna Strathy
Sent: Monday, September 25, 2017 11:50 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Thanks John. Gadi is in NYC until Wednesday. Happy for Ron to escalate this to get the ball rolling. If you could let me know where things stand at the end of today, I'll include an update in my end of day email to Gadi.

Thanks, Anna

From: John Kim
Sent: Monday, September 25, 2017 11:43 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Anna,

No update so far which isn't surprising. I think a bit of escalating might be helpful so I will chat with Ron today. You may want to give Gadi an update as well.

At least on the phone, IESO staff were receptive.

John

From: Anna Strathy
Sent: Monday, September 25, 2017 11:38 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi John, Lisa,

Any update on this letter? Has IESO reviewed?

Thanks, Anna

From: Sarah Neville
Sent: Friday, September 22, 2017 5:00 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi All – As far as I am aware there were no developments on this today. I will be out of the office on Monday (back Tuesday), but Lisa will be back on Monday to handle this for Legal (although working from home so please reach her through email or messenger).
Have a good weekend everyone.
Sarah

From: Sarah Harris
Sent: Thursday, September 21, 2017 4:02 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

I'm fine with it too. I will also be working from home tomorrow. It must that kind of Friday.
John – would you kindly send draft directly to Anthony (and Victor?) for their consideration?
Sarah

From: Sarah Neville
Sent: Thursday, September 21, 2017 3:51 PM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Sounds good to me. I will be online all day but working from home. Hope all is well with your family.
Sarah

From: John Kim
Sent: Thursday, September 21, 2017 3:48 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Sarah and Sarah,
Unfortunately, we haven't heard back from Energy Legal thus far. My suggestion, if OK with you, is that we share the draft with IESO staff as well.
I have some family obligations that came up for tomorrow so won't be in the office but will check my emails for this item.
Thanks,
John

From: Sarah Neville
Sent: Thursday, September 21, 2017 11:38 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi John – tweaked the acknowledgement to make it mutual as between all and to narrow the

reference to appropriations so that it is clear it is not any MOE appropriation but only that destined for the IESO.
Sarah

From: [Kim, John](mailto:John.Kim@ofina.on.ca)
To: [Tom McKinlay](mailto:Tom.McKinlay@ontario.ca); [Stokes, Tim](mailto:Tim.Stokes@ieso.ca)
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Wednesday, November 01, 2017 12:26:12 PM

FYI

-----Original Message-----
From: John Kim
Sent: Wednesday, November 01, 2017 12:02 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom,

I'm getting the letter signed in a few minutes. So ETA is this afternoon.

Also, Ron pointed out that this agreement could be executed in part which I understand to mean separately so will fire that off to both Energy and IESO.

John

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, November 01, 2017 11:59 AM
To: John Kim <John.Kim@ofina.on.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

John,

Coming out of this morning's rate mitigation meeting, I understand that the draft is final and that we are supposed to be getting an execution copy for Steen to sign sometime shortly? I have been asked to inquire as to what the ETA for that might be?

Thanks!
Tom.

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 1:49 PM
To: Victor Buza'
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bell; He, Gavin (OFA); McKinlay, Tom (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreement.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buza
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bell; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: 'Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bell; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>; Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Anthony.Martinello@ieso.ca>; 'Michael Bell' <Michael.Bell@ieso.ca>; Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>; Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Anthony.Martinello@ieso.ca>; 'Michael Bell' <Michael.Bell@ieso.ca>; Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: 'Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; Michael Bell'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; mailto:John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; mailto:Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupEClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1

Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fdata-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C0abd84f198da4cf0a8d8-257C0-2Fdata-3D0MM3dRcWwG1hMb5LqIqE-253D-26reserved-3D0-5Bieso.ca-5D-5Bieso0.safelinks.protection.outlook.com-2F%2Dc%2Dca%2Fe%2Dq%2Fe%2Fq%2Dq%2Fen%2Fwf%2FFHCr1_eykjs0tFtQ%2Fe

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From: Sarah Harris
To: Ryan Blackbyrne
Subject: FW: OEFC - OPG Borrowing Notices
Date: Wednesday, November 01, 2017 1:23:08 PM

Hi Ryan,
When you have a moment, could you please come over to chat about this?
Thanks,
Sarah

From: Sarah Neville
Sent: Tuesday, October 31, 2017 3:09 PM
To: Sarah Harris
Subject: RE: OEFC - OPG Borrowing Notices

Hi Sarah - what are your thoughts on the below? We don't typically retain these documents in the Legal branch, but as Kelly is sending them over to MOF Legal am I right to assume documentation doesn't either? Can you confirm you have the prom notes?
Sarah

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Tuesday, October 31, 2017 3:04 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: OEFC - OPG Borrowing Notices

Hi Sarah,
I forgot to mention this on our call. I have been receiving a number of originals of the borrowing notices sent by OPG to OEFC and a copy of the prom note from Kelly Listoe in Capital Markets, the reason being because we worked on the main agreements quite awhile ago now. I am wondering though whether these should actually be sent to you for safekeeping as opposed to us now. I am happy to scan them and also file them here but wondering whether we need too?
I am assuming that the OFA keeps the actual prom note on behalf of OEFC.
Thanks.
Malle Hanslep
Deputy Director
Ministry of the Attorney General
Ministry of Finance Legal Services Branch
Telephone: 416-325-1457
Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you.

From: Sarah Harris
To: Anna Strathy; Opal Kandelas
Subject: FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Date: Friday, November 03, 2017 1:33:35 PM

Amen!

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, November 03, 2017 1:32 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; Anthony Martinello ; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

Thanks Lisa – this version of AA#10 now looks fine.

We now need to make the final adjustments to both agreements based on the new November 6 closing. I will look at the documents this afternoon and forward any changes I note as required – I would like to be in a position to sign early on Monday if possible.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 9:53 AM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance: High

Hi Victor,

Please find attached the latest version of AA#10, incorporating that changes that you have requested. We have also included additional language pertaining to the "Transfer of Funds". Please let us know your thoughts and if you would like to discuss further.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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To:	William Tan
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 2:04:54 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hi Will,

Did you speak to Anthony about the

From: William Tan
Sent: Tuesday, October 31, 2017 1:18 PM
To: 'Victor Buza'
Cc: Anthony Martinello ; Lisa Stein ; Sarah Harris ; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hello Victor,

Please find attached the latest black-lined version of the OFA IESO Amending Agreement No. 10. In this version, we have made amendments to the effective date of the agreement, Permitted Liens, Section 5.2 Acceleration of Maturity; Rescission and Annulment, Section 5.7 Intercept (To be replaced with finalized language from new FHP credit facility agreement) and Section 7.9 Entire Agreement.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

Formatted: Font: Bold

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Date:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

To:	William Tan
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 2:04:54 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hi Will,

Did you speak to Anthony about the

From: William Tan
Sent: Tuesday, October 31, 2017 1:18 PM
To: 'Victor Buza'
Cc: Anthony Martinello ; Lisa Stein ; Sarah Harris ; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hello Victor,

Please find attached the latest black-lined version of the OFA IESO Amending Agreement No. 10. In this version, we have made amendments to the effective date of the agreement, Permitted Liens, Section 5.2 Acceleration of Maturity; Rescission and Annulment, Section 5.7 Intercept (To be replaced with finalized language from new FHP credit facility agreement) and Section 7.9 Entire Agreement.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Date:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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Formatted: Font: (Default) Times New Roman, 12 pt

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9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

Commented [LS1]: NTD: Replace with finalized language from new FHP credit facility agreement

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Sarah Harris
To:	William Tan
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 12:47:43 PM

Will,

Please forward the draft amending agreement to Anthony and Victor, and explain the change in the effective date, as well as insertion of the intercept language once the same is finalized in the FHP agreement.

Thanks,

Sarah

From: Lisa Stein
Sent: Tuesday, October 31, 2017 10:23 AM
To: William Tan
Cc: Sarah Harris
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Yes, that's fine.

Thanks,

Lisa

From: William Tan
Sent: Tuesday, October 31, 2017 10:04 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hello Lisa,

We have reviewed the Amending Agreement No. 10 and have no comments. With the exception of the finalization of the Intercept language from the FHP, should we share the current version Amending Agreement No. 10 with IESO?

Thank you Lisa for your help on the drafts.

Will

From: Lisa Stein
Sent: Monday, October 30, 2017 3:34 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

I've made some additional amendments to the latest draft, attached, to incorporate the Effective Date.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 10:04:05 AM

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Legal Counsel
Ontario Financing Authority
416-325-2320

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From: William Tan
To: Sarah Harris
Subject: FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date: Monday, October 30, 2017 7:59:10 PM

Hi Sarah,

Lisa added:

- 22 to the date.
- Section 5.7 Intercept

  NTD: Replace with finalized language from new FHP credit facility agreement

I have no comment regarding the changes.

From: Lisa Stein

Sent: Monday, October 30, 2017 3:34 PM

To: Sarah Harris ; William Tan

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

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Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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Legal Counsel
Ontario Financing Authority
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From:	William Tan
To:	Sarah Harris
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Date:	Monday, October 30, 2017 2:47:53 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Hello Sarah,

I have made a couple small formatting changes and added Section 5.7 Intercept language from the FHP Agreement.

Thanks,

Will

From: Lisa Stein

Sent: Monday, October 30, 2017 11:03 AM

To: William Tan ; Sarah Harris

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Latest draft

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of ~~September~~November~~October~~, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

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(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Sarah Harris
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Date:	Monday, October 30, 2017 2:47:53 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Hello Sarah,

I have made a couple small formatting changes and added Section 5.7 Intercept language from the FHP Agreement.

Thanks,

Will

From: Lisa Stein

Sent: Monday, October 30, 2017 11:03 AM

To: William Tan ; Sarah Harris

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Latest draft

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of ~~September~~November~~October~~, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

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(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Date:	Thursday, November 02, 2017 11:06:18 AM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Importance:	High

Hi Will,

Can you please accept changes, review formatting, and prepare an execution version?

Thank you,

Lisa

From: Lisa Stein

Sent: Wednesday, November 01, 2017 5:07 PM

To: 'Victor Buza'

Cc: Sarah Harris ; William Tan ; Anthony Martinello

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx

Importance: High

Hi Victor,

Please find attached our latest draft of AA#10, with some further amendments blacklined. A further call with you and Anthony will likely be required to discuss our proposed changes to section 14.

Please let Will know your availability for tomorrow and he will set up the call.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~21st [~~**NTD: VERIFY DATE – 21st?**~~]~~day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date:~~

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1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Credit Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount

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of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **[DATE]** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal

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Commented [LS1]: NTD: Added same language as new FHP Credit Facility Agreement

Commented [LS2]: NTD: This requires a date as the letter agreement will not be even dated with AA#10.

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to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Other Financial Transactions**" means those transactions between the Parties to be completed ~~on the Effective Date~~ prior to the Effective Time in relation to:

i. the advance of ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated [INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing

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the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, ~~in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;~~

ii. the completion of all Advances (as defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date of this Amending Agreement, prior to the Commitment (as defined in the Credit Agreement).. ~~the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and~~

~~the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;~~

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. ~~to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version v3 blacklined.docx
Date:	Tuesday, October 10, 2017 3:26:30 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v4(blacklined).docx OFA IESO Amending Agreement No 10 - Execution Version v3 blacklined.docx

Hi Lisa,

I have no comments to the Permitted Liens (k). Thanks for doing that.

FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v4

Schedule 1. Included "and"

Schedule 2. Included "and" and ";" for consistency.

p. 24. Added double space and ":"

Amending Agreement No. 10 – Execution Version v3 blacklined

Schedule 1 to Amending Agreement No. 10, Form of Borrowing Notice. Agreement and Proposed Advance. Bold removed.

Included "and" and ":" .

Schedule 2. Included "and" , ";" and "."

Thanks,

Will

From: Lisa Stein

Sent: Friday, October 06, 2017 2:29 PM

To: William Tan

Cc: Sarah Harris

Subject: OFA IESO Amending Agreement No 10 - Execution Version v3 blacklined.docx

Hi Will,

Please find attached amending agreement #10 with the latest updates. We should still wait to send these to IESO until we know how we are going to proceed regarding the intercept provisions.

On another note, have the borrowing notice and election notice already been updated to reflect the new credit facility agreement notice language?

Thanks,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;and
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____; and

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____; and
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____.

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory:

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of October, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

~~7.~~8. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~9. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~10. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~11. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

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(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____; and
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory:

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____; and

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____; and

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____.

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory:

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory:

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version v3 blacklined.docx
Date:	Tuesday, October 10, 2017 3:26:30 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v4(blacklined).docx OFA IESO Amending Agreement No 10 - Execution Version v3 blacklined.docx

Hi Lisa,

I have no comments to the Permitted Liens (k). Thanks for doing that.

FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v4

Schedule 1. Included "and"

Schedule 2. Included "and" and ";" for consistency.

p. 24. Added double space and ":"

Amending Agreement No. 10 – Execution Version v3 blacklined

Schedule 1 to Amending Agreement No. 10, Form of Borrowing Notice. Agreement and Proposed Advance. Bold removed.

Included "and" and ":" .

Schedule 2. Included "and" , ";" and "."

Thanks,

Will

From: Lisa Stein

Sent: Friday, October 06, 2017 2:29 PM

To: William Tan

Cc: Sarah Harris

Subject: OFA IESO Amending Agreement No 10 - Execution Version v3 blacklined.docx

Hi Will,

Please find attached amending agreement #10 with the latest updates. We should still wait to send these to IESO until we know how we are going to proceed regarding the intercept provisions.

On another note, have the borrowing notice and election notice already been updated to reflect the new credit facility agreement notice language?

Thanks,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;and
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____; and

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____; and
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____.

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory:

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of October, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

~~7.~~8. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~9. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~10. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~11. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

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(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____; and
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory:

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____; and

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____; and

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____.

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory:

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory:

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Date:	Thursday, November 02, 2017 11:06:18 AM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Importance:	High

Hi Will,

Can you please accept changes, review formatting, and prepare an execution version?

Thank you,

Lisa

From: Lisa Stein

Sent: Wednesday, November 01, 2017 5:07 PM

To: 'Victor Buza'

Cc: Sarah Harris ; William Tan ; Anthony Martinello

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx

Importance: High

Hi Victor,

Please find attached our latest draft of AA#10, with some further amendments blacklined. A further call with you and Anthony will likely be required to discuss our proposed changes to section 14.

Please let Will know your availability for tomorrow and he will set up the call.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~21st [~~**NTD: VERIFY DATE – 21st?**~~]~~day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date:~~

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1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Credit Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount

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of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **[DATE]** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal

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Commented [LS1]: NTD: Added same language as new FHP Credit Facility Agreement

Commented [LS2]: NTD: This requires a date as the letter agreement will not be even dated with AA#10.

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to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Other Financial Transactions**" means those transactions between the Parties to be completed ~~on the Effective Date~~ prior to the Effective Time in relation to:

i. the advance of ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated [INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing

Commented [LS3]: NTD: To be amended in FHP Credit Facility Agreement

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the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, ~~in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;~~

ii. the completion of all Advances (as defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date of this Amending Agreement, prior to the Commitment (as defined in the Credit Agreement).. ~~the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and~~

~~the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;~~

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. ~~to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 IESO 615pm.docx
Date:	Thursday, November 02, 2017 10:23:34 AM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 Rev IESO Nov1 615pm.docx

Hi Will. Can you please arrange this call? My calendar is up to date.
Thanks,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, November 01, 2017 6:17 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; Anthony Martinello
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 IESO 615pm.docx

Yes I think it would be helpful to have a call to discuss that section 14 just to ensure we are all on the same page about the mechanics and the language.
In the meantime, I accepted everything that appeared to me to be settled and did some formatting, including fully justifying all paragraphs (since it was a bit of a mixed bag), and indenting and adding quotes around some of the adders as needed. All changes should be tracked.
Look forward to finalizing this tomorrow.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 5:07 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Importance: High

Hi Victor,
Please find attached our latest draft of AA#10, with some further amendments blacklined. A further call with you and Anthony will likely be required to discuss our proposed changes to section 14.
Please let Will know your availability for tomorrow and he will set up the call.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320
****

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st [day of November, 2017 (the "**Effective Date**")

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~a.~~ "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

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"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date

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of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"**Section 5.7 Intercept**

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **[DATE]** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the

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Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"**Section 7.9 Entire Agreement**

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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b. "**Other Financial Transactions**" means those transactions between the Parties to be completed ~~on the Effective Date~~ prior to the Effective Time in relation to:

i. the advance of ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated [INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, ~~in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts:~~

~~ii. the completion of all Advances (as defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date of this Amending Agreement, prior to the Commitment (as defined in the Credit Agreement).. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and~~

~~the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;~~

~~14.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. ~~to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 IESO 615pm.docx
Date:	Thursday, November 02, 2017 10:23:34 AM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 Rev IESO Nov1 615pm.docx

Hi Will. Can you please arrange this call? My calendar is up to date.
Thanks,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, November 01, 2017 6:17 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; Anthony Martinello
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 IESO 615pm.docx

Yes I think it would be helpful to have a call to discuss that section 14 just to ensure we are all on the same page about the mechanics and the language.
In the meantime, I accepted everything that appeared to me to be settled and did some formatting, including fully justifying all paragraphs (since it was a bit of a mixed bag), and indenting and adding quotes around some of the adders as needed. All changes should be tracked.
Look forward to finalizing this tomorrow.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 5:07 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Importance: High

Hi Victor,
Please find attached our latest draft of AA#10, with some further amendments blacklined. A further call with you and Anthony will likely be required to discuss our proposed changes to section 14.
Please let Will know your availability for tomorrow and he will set up the call.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320
****

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st [day of November, 2017 (the "**Effective Date**")

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~a.~~ "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

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"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date

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of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"**Section 5.7 Intercept**

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **[DATE]** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the

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Commented [LS2]: NTD: This requires a date as the letter agreement will not be even dated with AA#10.

Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"**Section 7.9 Entire Agreement**

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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Commented [LS3]: NTD: To be amended in FHP Credit Facility Agreement

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b. "**Other Financial Transactions**" means those transactions between the Parties to be completed ~~on the Effective Date~~ prior to the Effective Time in relation to:

i. the advance of ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated [INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, ~~in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts:~~

~~ii. the completion of all Advances (as defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date of this Amending Agreement, prior to the Commitment (as defined in the Credit Agreement).. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and~~

~~the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;~~

~~14.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. ~~to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan; John Kim
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Wednesday, November 01, 2017 1:26:27 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5 from OFA Oct 31 IESO Comments Nov1.docx
Importance:	High

I have a meeting from now until 3 pm. I'm available for a call after 3 (I can reschedule my earlier meeting); however, I won't have time to review before then so 3:30 or 4 would be better.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, November 01, 2017 1:13 PM
To: William Tan
Cc: Anthony Martinello ; Lisa Stein ; Sarah Harris ; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Importance: High

Please see our proposed amendments to AA#10 in the attached document. I have attempted to reflect in s.14 those issues that came up yesterday on our call in relation to the timing and documentation of the separate transactions. Whether it is right may depend in part on what Sarah's internal discussions yielded re these issues (i.e. we were thinking that all transactions will occur on the 21st and so drafted accordingly).

It may make sense for me to walk through this with one or more of you just so we aren't delayed. I am available for a call anytime this afternoon except from 2:30 to 3:00.

Victor

416-969-6079

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 31, 2017 1:18 PM
To: Victor Buza
Cc: Anthony Martinello; Lisa Stein; Sarah Harris; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hello Victor,

Please find attached the latest black-lined version of the OFA IESO Amending Agreement No. 10. In this version, we have made amendments to the effective date of the agreement, Permitted Liens, Section 5.2 Acceleration of Maturity; Rescission and Annulment, Section 5.7 Intercept (To be replaced with finalized language from new FHP credit facility agreement) and Section 7.9 Entire Agreement.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd [**NTD: VERIFY DATE – 21st?**]day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

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acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date~~:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of

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Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept [NOTE FROM IESO – OFA to revise per final OEHP credit agreement language]

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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Commented [LS2]: NTD: Replace with finalized language from new FHP credit facility agreement

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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b. "**Other Financial Transactions**" means those transactions between the Parties to be completed on the Effective Date prior to the Effective Time in relation to:

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i. the advance of funds under a separate credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;

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ii. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in

the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and

iii. the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd [**NTD: VERIFY DATE – 21st?**]day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

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acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date~~:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of

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Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept [NOTE FROM IESO – OFA to revise per final OEHP credit agreement language]

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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b. "**Other Financial Transactions**" means those transactions between the Parties to be completed on the Effective Date prior to the Effective Time in relation to:

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i. the advance of funds under a separate credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;

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ii. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in

the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and

iii. the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan; John Kim
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Wednesday, November 01, 2017 1:26:27 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5 from OFA Oct 31 IESO Comments Nov1.docx
Importance:	High

I have a meeting from now until 3 pm. I'm available for a call after 3 (I can reschedule my earlier meeting); however, I won't have time to review before then so 3:30 or 4 would be better.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, November 01, 2017 1:13 PM
To: William Tan
Cc: Anthony Martinello ; Lisa Stein ; Sarah Harris ; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Importance: High

Please see our proposed amendments to AA#10 in the attached document. I have attempted to reflect in s.14 those issues that came up yesterday on our call in relation to the timing and documentation of the separate transactions. Whether it is right may depend in part on what Sarah's internal discussions yielded re these issues (i.e. we were thinking that all transactions will occur on the 21st and so drafted accordingly).

It may make sense for me to walk through this with one or more of you just so we aren't delayed. I am available for a call anytime this afternoon except from 2:30 to 3:00.

Victor

416-969-6079

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 31, 2017 1:18 PM
To: Victor Buza
Cc: Anthony Martinello; Lisa Stein; Sarah Harris; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hello Victor,

Please find attached the latest black-lined version of the OFA IESO Amending Agreement No. 10. In this version, we have made amendments to the effective date of the agreement, Permitted Liens, Section 5.2 Acceleration of Maturity; Rescission and Annulment, Section 5.7 Intercept (To be replaced with finalized language from new FHP credit facility agreement) and Section 7.9 Entire Agreement.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd [**NTD: VERIFY DATE – 21st?**]day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

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acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date~~:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of

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Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept [NOTE FROM IESO – OFA to revise per final OEHP credit agreement language]

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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b. "**Other Financial Transactions**" means those transactions between the Parties to be completed on the Effective Date prior to the Effective Time in relation to:

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i. the advance of funds under a separate credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;

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ii. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in

the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and

iii. the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd [**NTD: VERIFY DATE – 21st?**]day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

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acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date~~:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of

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Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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Commented [VB1]: Note - connected the two paras.

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept [NOTE FROM IESO – OFA to revise per final OEHP credit agreement language]

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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b. "**Other Financial Transactions**" means those transactions between the Parties to be completed on the Effective Date prior to the Effective Time in relation to:

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i. the advance of funds under a separate credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;

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ii. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in

the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and

iii. the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

To:	Lisa Stein; John Kim; William Tan
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 2:44:04 PM

Hi,
I'm also available
Thanks,
Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, October 31, 2017 2:41 PM
To: William Tan ; Victor Buza
Cc: Lisa Stein ; Sarah Harris ; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Just chatted with Will.
Is everyone avail today at 3:30pm for a quick 30min call to ensure alignment on the docs.
Let me know and I will circulate a call-in

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 31, 2017 2:22 PM
To: Victor Buza
Cc: Anthony Martinello; Lisa Stein; Sarah Harris; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Hello all,
I want follow-up the previous email to clarify the Amending Agreement November 22, effective date. Once the Intercept Letter Agreement is signed we may sign the FHP Agreement and Amending Agreement No. 10 this week.
On November 21, it is expected that the majority of the outstanding balance under the existing $975M Credit Facility will be transferred to the $2B FHP Credit Facility. After the specified balance has been moved from the $975M Credit Facility, this will allow us to reduce the credit facility limit to $475M on November 22. Please let me know if you have any further questions or if you would like to discuss further.
Thanks,
Will

From: William Tan
Sent: Tuesday, October 31, 2017 1:18 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Hello Victor,
Please find attached the latest black-lined version of the OFA IESO Amending Agreement No. 10. In this version, we have made amendments to the effective date of the agreement, Permitted Liens, Section 5.2 Acceleration of Maturity; Rescission and Annulment, Section 5.7 Intercept (To be replaced with finalized language from new FHP credit facility agreement) and Section 7.9 Entire Agreement.
Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for

your review.

Thank you,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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To:	Lisa Stein; John Kim; William Tan
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 2:44:04 PM

Hi,
I'm also available
Thanks,
Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, October 31, 2017 2:41 PM
To: William Tan ; Victor Buza
Cc: Lisa Stein ; Sarah Harris ; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Just chatted with Will.
Is everyone avail today at 3:30pm for a quick 30min call to ensure alignment on the docs.
Let me know and I will circulate a call-in

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 31, 2017 2:22 PM
To: Victor Buza
Cc: Anthony Martinello; Lisa Stein; Sarah Harris; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Hello all,
I want follow-up the previous email to clarify the Amending Agreement November 22, effective date. Once the Intercept Letter Agreement is signed we may sign the FHP Agreement and Amending Agreement No. 10 this week.
On November 21, it is expected that the majority of the outstanding balance under the existing $975M Credit Facility will be transferred to the $2B FHP Credit Facility. After the specified balance has been moved from the $975M Credit Facility, this will allow us to reduce the credit facility limit to $475M on November 22. Please let me know if you have any further questions or if you would like to discuss further.
Thanks,
Will

From: William Tan
Sent: Tuesday, October 31, 2017 1:18 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Hello Victor,
Please find attached the latest black-lined version of the OFA IESO Amending Agreement No. 10. In this version, we have made amendments to the effective date of the agreement, Permitted Liens, Section 5.2 Acceleration of Maturity; Rescission and Annulment, Section 5.7 Intercept (To be replaced with finalized language from new FHP credit facility agreement) and Section 7.9 Entire Agreement.
Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for

your review.

Thank you,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Date:	Friday, November 03, 2017 3:31:12 PM

Hi Will,

Further to your inquiry, this is the latest update that I have. The agreements can both be signed in counterparts but we should wait until we have confirmation that IESO has signed.

Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, November 03, 2017 3:17 PM

To: Lisa Stein

Cc: Sarah Harris ; William Tan ; Anthony Martinello ; John Kim

Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

I'll look at them now and do the adjustments and give you a call if I have any questions.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 2:31 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

Thank you Victor. Please let me know if you would like to discuss the adjustments. Just to clarify – will you be preparing the execution versions?

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, November 03, 2017 1:32 PM

To: Lisa Stein <Lisa.Stein@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>

Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

Thanks Lisa – this version of AA#10 now looks fine.

We now need to make the final adjustments to both agreements based on the new November 6 closing. I will look at the documents this afternoon and forward any changes I note as required – I would like to be in a position to sign early on Monday if possible.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 9:53 AM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance: High

Hi Victor,

Please find attached the latest version of AA#10, incorporating that changes that you have requested. We have also included additional language pertaining to the "Transfer of Funds". Please let us know your thoughts and if you would like to discuss further.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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****

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From:	Andrea Dalgarno
To:	Malle Hanslep (MOF)
Cc:	Nicole Symeonides (MOF); Tobias P. Whitfield (MOF); Sarah Harris; Daki Proudfoot; Lisa Stein
Subject:	FW: OFA Loans -OIC 675/97 and OIC 767/99
Date:	Friday, October 20, 2017 2:17:19 PM
Attachments:	image001.png

Hi,
Can you see if any of the following time slots work for LSB in terms of meeting:
Oct 23: 11-12 or 2-3
Oct 25: 10-11 or 11-12
Oct 26: 1-2
Also, will LSB be attending in person or by phone?
Regards,
Andrea

From: Lisa Stein
Sent: Friday, October 20, 2017 12:39 PM
To: Andrea Dalgarno
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99
Hi Andrea,
Perhaps you can coordinate this meeting? My schedule is up to date.
Thank you,
Lisa

From: Andrea Dalgarno
Sent: Friday, October 20, 2017 12:38 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Nicole Symeonides (MOF) <Nicole.Symeonides@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Daki Proudfoot <Daki.Proudfoot@ofina.on.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99
Hi,
Next week is fine with me.
I think we should include Daki Proudfoot in the invite. I work with him to reconcile remaining borrowing authority available under the OIC's in question. As such, he may wish to attend.
Regards,
Andrea

From: Lisa Stein
Sent: Friday, October 20, 2017 12:34 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Nicole Symeonides (MOF) <Nicole.Symeonides@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99
Great, please let us know when you would like to set up a call. Does next week work?
Thank you,
Lisa

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, October 20, 2017 11:25 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Nicole Symeonides (MOF) <Nicole.Symeonides@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>

Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Hi Lisa,

We have this on our priority list and I see 2 possible approaches on this which we would like to discuss with you.

Thanks.

Malle

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 20, 2017 10:50 AM
To: Hanslep, Malle (MOF); Dalgarno, Andrea (OFA)
Cc: Symeonides, Nicole (MOF); Whitfield, Tobias P. (MOF); Harris, Sarah (OFA)
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Hi Malle,

I just wanted to follow up on the status of this matter? Please let me know if you would like us to arrange a meeting to discuss further.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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****

From: Malle Hanslep (MOF)
Sent: Tuesday, September 12, 2017 9:20 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Nicole Symeonides (MOF) <Nicole.Symeonides@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Hi Andrea,

I'm sorry we haven't gotten to this yet. I was away on vacation and then we have been very busy since last week but I know that you have been waiting for our reply.

Malle

From: Andrea Dalgarno [mailto:Andrea.Dalgarno@ofina.on.ca]
Sent: September 12, 2017 8:50 AM
To: Hanslep, Malle (MOF)
Cc: Symeonides, Nicole (MOF); Whitfield, Tobias P. (MOF); Harris, Sarah (OFA)
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Hi Malle,

Just following up- when do you think LSB may be in a position to discuss this further?

Regards,

Andrea

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Tuesday, August 22, 2017 1:06 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Nicole Symeonides (MOF) <Nicole.Symeonides@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Yes thank you.

From: Andrea Dalgarno [mailto:Andrea.Dalgarno@ofina.on.ca]
Sent: August 22, 2017 11:40 AM

To: Hanslep, Malle (MOF)
Cc: Symeonides, Nicole (MOF); Whitfield, Tobias P. (MOF); Harris, Sarah (OFA)
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Hi Malle,

Please see our feedback to your questions below in red.

Once you have had a chance to assess these responses, perhaps we can arrange to discuss further?

Regards,

Andrea

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, August 18, 2017 3:50 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Nicole Symeonides (MOF) <Nicole.Symeonides@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Hi Andrea,

The OIC authorizes the Provincial loan to the OFA and the OFA uses the funds to make loans to public bodies. The OFA loans are authorized by a combination of the OFA's objects under CIPA and the Minister's Lending directives to the OFA as well as the OFA's public body lending policy.

Summary of OIC 767/99 – authorizes lending of a maximum of 675 million on the following terms and conditions

- Loan may be advanced in such amounts and at such time or times as required by the OFA.
- Repayment of advances plus accrued interest may be made in whole or in part at any time provided full amount is repaid by August 31, 2029
- It's a revolving credit facility and the OFA can repay and borrow again provided that maximum amount outstanding at any time does not exceed 675 million
- Advances bear interest at the following rates:
    - From date of advance to repayment, advances bears interest at a per annum rate equal to interest rate paid on 90 day Ontario T-bills and if still outstanding after 90 days, the rate is reset
    - if money advanced to the OFA is then loaned by OFA to a "public body", then the rate of interest payable by the OFA on that part of the advance would be (at the option of the OFA), the per annum rate payable to the OFA under the public body loan (less 25 bp) until public body loan is repaid to the OFA at which point it changes back to the 90 day T-bill rate.
    - If lent to a public body again then the interest rate can change again.

The OIC's connection to the OFA loans to public bodies is in respect the interest rate; i.e. the interest rate that the OFA pays the Province is tied to the interest rate that the OFA receives from public bodies if the OFA uses the funds to lend to public bodies.

If you could provide us some information on the following questions that would be helpful.

- Where an OFA loan to a public body has a period during which interest accrues and is capitalized (so interest payments are not made to the OFA), how does this affect the calculation and payment of interest under the OFA's loan to the Province? How has this been treated to date?
  When a new loan is granted by the OFA the Province transfers fund to OFA (exact amount of loan). During the construction period both province's interest and OFA's interest is accrued(borrower does not make any interest payments during the construction period). At the end of the construction period

the original principal plus all accrued interest are converted into a new amortizing term loan. Borrower will start making periodic repayments based on the amortization schedule.

- On the maturity/refinancing date when the term loan commences, does the public body actually repay the OFA construction loan from the proceeds of the OFA term loan?
  The structure of having the Term Loan Facility used to repay the Construction Loan (inclusive of capitalized interest) is consistent across all agreements where there is a Construction Loan involved (for colleges at least). If there is another structure where a Construction Loan is involved, I have not seen it and it wouldn't be normal.
  At the juncture between the Construction Loan and Term Loan, there is no cash movement.

Example from Confederation College (Wellness Centre) Loan Agreement:

2.1 The Lender agrees to establish the following Facilities for the Borrower and the Borrower agrees to borrow from the Lender in accordance with the terms and conditions set forth in this Agreement:

(a) Facility 1: a non-revolving construction period loan facility up to a maximum Facility 1 Principal Amount of $10,600,000 for the Wellness Centre Project, which shall be comprised of the aggregate of the Advances made during the Facility 1 Advance Period;

(b) Facility 2: a twenty-five (25) year term loan up to a maximum Facility 2 Principal Amount as defined in section 1 of this Agreement for the purpose of providing long term financing for the Wellness Centre Project. The Advance under Facility 2 shall be used by the Borrower to repay the Facility 1 Principal Amount plus interest accrued thereon; and

- When does the OFA repay any loans to the Province? Does the OFA keep the funds outside the CRF during the entire period of a public body loan, i.e. through the construction and term loan phase?
  Once the construction loan is consolidated into amortizing term loan the borrower makes periodic repayments (portion of loan and interest) based on the amortization schedule. OFA transfers the periodic repayments made by the borrower to the Province on the same day after retaining portion of interest (spread). Similarly, OFA receives fund from the Province on the same day a new loan is advanced. OFA does not keep any loan advance from the Province /repayments from the borrower outside the CRF.

These are some initial questions we had. Perhaps we can discuss it further next week. Thanks.
Malle

From: Andrea Dalgarno [mailto:Andrea.Dalgarno@ofina.on.ca]
Sent: August 17, 2017 10:51 AM
To: Hanslep, Malle (MOF)
Cc: Symeonides, Nicole (MOF); Whitfield, Tobias P. (MOF); Harris, Sarah (OFA)
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Thank you Malle.

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Thursday, August 17, 2017 10:50 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Nicole Symeonides (MOF) <Nicole.Symeonides@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Thanks Andrea. I discussed this with Toby before he left on vacation and we had a few questions. He's away this week but back on Monday. I see if I can send you the questions soon.

From: Andrea Dalgarno [mailto:Andrea.Dalgarno@ofina.on.ca]
Sent: August 15, 2017 10:15 AM
To: Hanslep, Malle (MOF)
Cc: Symeonides, Nicole (MOF); Whitfield, Tobias P. (MOF); Harris, Sarah (OFA)

Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Hi,

Just checking in to see how consultation is going with Nicole and Toby and to see if you have any questions or require any further information?

Regards,

Andrea

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, August 02, 2017 12:17 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Nicole Symeonides (MOF) <Nicole.Symeonides@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Hi Andrea,

I have had a chance to review the OIC's and am now consulting with Nicole and Toby for their thoughts on this. I think that this is an interesting question. One important point to remember is that the CIPA OIC's authorize the Province to lend to the OFA and the OFA's borrowing by-law authorizes the OFA to borrow from the Province. The OFA makes the loans to the public bodies under the authority of CIPA, its establishing statute, and the Minister's directive. The OIC's establish a connection between the interest payable by the OFA to the Province based on the interest rate being paid by the public body to the OFA.

We may have some further questions for you and might like to get some more information.

Thank.s

Malle

From: Andrea Dalgarno [mailto:Andrea.Dalgarno@ofina.on.ca]
Sent: July 25, 2017 3:16 PM
To: Hanslep, Malle (MOF)
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Hi Malle,

Thank you for letting us know and hope your project is going well. When you are in a position to, please let me know potential times that will work and we can go from there.

Also, if it turns out that you prefer someone else in LSB to assist- just let me know who is available.

Thank you as always

and

Regards,

Andrea

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Tuesday, July 25, 2017 2:31 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Daki Proudfoot <Daki.Proudfoot@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Hi Andrea,

Unfortunately I won't be available for this until early next week due to an urgent project I am working on.

Thanks.

Malle

From: Andrea Dalgarno [mailto:Andrea.Dalgarno@ofina.on.ca]
Sent: July 25, 2017 1:33 PM
To: Hanslep, Malle (MOF)
Cc: Harris, Sarah (OFA); Daki Proudfoot; Stein, Lisa (OFA); Neville, Sarah (OFA)
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99

Hi Malle,
When would you be available to discuss this issue in conjunction with OFA legal and Corporate Finance? If you give me a list of 1 hour (not sure it will take that long) options (maybe 5), I can then see what works with the others.
Regards,
Andrea

From: Andrea Dalgarno
Sent: Thursday, July 20, 2017 11:19 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Daki Proudfoot <Daki.Proudfoot@ofina.on.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99
Hi Sarah,
We can wait for Lisa to be back.
Regards,
Andrea

From: Sarah Neville
Sent: Thursday, July 20, 2017 10:19 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Daki Proudfoot <Daki.Proudfoot@ofina.on.ca>
Subject: RE: OFA Loans -OIC 675/97 and OIC 767/99
Hi Andrea – Apologies but I haven't had time to turn my mind to this meaningfully. Could you advise as to timing? Lisa Stein works on most of the loan agreements in our branch but she is away until next week. It would probably make sense for me to ask her to follow up if you don't need an answer urgently because I think part of the response may be found in terms of the loan agreements themselves.
Logically, it would make sense to me that at the point the accrued but unpaid interest is capitalized and effectively becomes part of the principal, borrowing authority would be required. The OICs themselves appear to distinguish between the principal and interest owed by the OFA to the Province and also with respect to the interest that the OFA is entitled to levy on loans it makes to public bodies, so the authority in the OIC appears to exclude the interest amounts, but I know the FAA casts a broad net as to the kinds of activities that are considered borrowing, so I think the crux of your question is with respect to how the uncapitalized, accrued but unpaid interest is treated during the draw down stage when the agreement is structured to capitalize this amount at a future date.
I am assuming that the majority of loans include regular repayments of principal and interest in the ordinary course, but are you aware of any other examples of loans, other than the construction type loans where there is accrued but unpaid interest during the term of the loan (e.g. a term loan where the interest isn't capitalized but the amount is paid off at the end?) If so, it may be a good idea to consider by way of analogy how that interest is treated vis-à-vis the borrowing authority.
Please let me know timing, and we can move this forward with MOF legal.
Thanks very much,
Sarah

From: Andrea Dalgarno
Sent: Wednesday, July 12, 2017 2:44 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Daki Proudfoot <Daki.Proudfoot@ofina.on.ca>
Subject: OFA Loans -OIC 675/97 and OIC 767/99
Hi,
We are in the process of verifying the authority used to date under the above referenced revolving OICs. Authority under these OICs provides for OFA Loans to colleges, IESO ($975M), OILC ($200M), ROM, Niagara

Parks, City of Windsor…. but *excludes* the school board loans. Loans advanced under these OICs include: Construction Loans, Lines of Credit and Term Loans.

We are seeking your collective advice as it the pertains to Construction Loans and the treatment of interest that is capitalized during the life of such a loan. At the end of the Construction Loan period the loan is converted to a Term Loan where the principal amount includes the capitalized interest accumulated during the construction phase.

We have the following questions with respect to the treatment of capitalized interest under the loans:

1) Is it necessary to allocate authority to cover the interest capitalized?

If yes, then:

2) The question is : At what point do we allocate the authority to cover the capitalized interest- as it is determined (for example quarterly during the term of the Construction Loan) or when it is included into the principal amount of the Term Loan at the end of the construction phase (i.e. when it is converted to a Term Loan under which repayment should occur overtime)?

Your advice would be appreciated.

Regards,

Andrea Dalgarno
Documentation & Analysis Specialist
Ontario Financing Authority
Tel 416-212-7451

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2.1 The Lender agrees to establish the following Facilities for the Borrower and the Borrower agrees to borrow from the Lender in accordance with the terms and conditions set forth in this Agreement:

(a) Facility 1: a non-revolving construction period loan facility up to a maximum Facility 1 Principal Amount of $10,600,000 for the Wellness Centre Project, which shall be comprised of the aggregate of the Advances made during the Facility 1 Advance Period;

(b) Facility 2: a twenty-five (25) year term loan up to a maximum Facility 2 Principal Amount as defined in section 1 of this Agreement for the purpose of providing long term financing for the Wellness Centre Project. The Advance under Facility 2 shall be used by the Borrower to repay the Facility 1 Principal Amount plus interest accrued thereon; and

From:	Siva Nathan
To:	Sarah Harris
Cc:	Siva Nathan
Subject:	FW: OFA-IESO Credit Facilities
Date:	Monday, October 16, 2017 12:20:03 PM

Hi Sarah,
Can you please send me a Final copy of OFA-IESO Credit Facilities?
Thanks
Siva

From: Siva Nathan
Sent: Wednesday, September 06, 2017 11:02 AM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>; Faran Ali <Faran.Ali@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities
Please note when you prepare September 30, 2017 financials.

From: Siva Nathan
Sent: Friday, August 18, 2017 4:18 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities
Hi Sarah,
In the future, please include my name in the distribution list. I need these information with regards to IESO loans for OEFC FS disclosure.
Thanks
Siva

From: Ken Kandeepan
Sent: Tuesday, August 15, 2017 11:59 AM
To: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities
You should have been included in this as well.
Thanks
Ken k

From: Sarah Harris
Sent: Tuesday, August 15, 2017 11:53 AM
To: Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>; John Psinas <John.Psinas@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; George Sakura <George.Sakura@ofina.on.ca>; Graham Monroe <Graham.Monroe@ofina.on.ca>; Tony Dong <Tony.Dong@ofina.on.ca>
Cc: Bruno Amara <Bruno.Amara@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Opal Kandelas <Opal.Kandelas@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Subject: OFA-IESO Credit Facilities
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From: William Tan
To: Alfonso Soriano
Cc: Sarah Harris
Subject: FW: OFA-IESO Credit Facilities
Date: Thursday, October 05, 2017 3:31:25 PM
Attachments: FW FHP Amount Frequency and Forecasting.msg

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   905.403.6944
   Station A, Box 4474, Toronto, ON, M5W 4E5

Anthony.Martinello@ieso.ca

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From: William Tan []
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
Subject: FW: FHP Amount, Frequency and Forecasting
Date: Thursday, October 05, 2017 10:22:52

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To: William Tan <William.Tan@ofina.on.ca>
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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 03, 2017 10:14 AM
To: Anthony Martinello

Subject: FHP Amount, Frequency and Forecasting

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Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Date:	Friday, September 22, 2017 10:41:09 AM

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From:	Siva Nathan
To:	Sarah Harris
Cc:	Siva Nathan
Subject:	FW: OFA-IESO Credit Facilities
Date:	Monday, October 16, 2017 12:20:03 PM

Hi Sarah,
Can you please send me a Final copy of OFA-IESO Credit Facilities?
Thanks
Siva

From: Siva Nathan
Sent: Wednesday, September 06, 2017 11:02 AM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>; Faran Ali <Faran.Ali@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities
Please note when you prepare September 30, 2017 financials.

From: Siva Nathan
Sent: Friday, August 18, 2017 4:18 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities
Hi Sarah,
In the future, please include my name in the distribution list. I need these information with regards to IESO loans for OEFC FS disclosure.
Thanks
Siva

From: Ken Kandeepan
Sent: Tuesday, August 15, 2017 11:59 AM
To: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities
You should have been included in this as well.
Thanks
Ken k

From: Sarah Harris
Sent: Tuesday, August 15, 2017 11:53 AM
To: Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>; John Psinas <John.Psinas@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; George Sakura <George.Sakura@ofina.on.ca>; Graham Monroe <Graham.Monroe@ofina.on.ca>; Tony Dong <Tony.Dong@ofina.on.ca>
Cc: Bruno Amara <Bruno.Amara@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Opal Kandelas <Opal.Kandelas@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Subject: OFA-IESO Credit Facilities
Hello,
We are currently in the process of working on a new $2B OFA-IESO Credit Facility to provide funding in respect of the Ontario Fair Hydro Plan. Under this framework, the existing $975 million OFA-IESO Credit Facility is to be reduced to $475 million. Due to a required Ministerial approval, the new $2B

facility will not be executed until mid-September (estimate).
Once the new $2B facility is in place, the OFA would be looking to re-allocate certain loans (TBD) from the existing $975M credit facility to the new $2B facility, in order to bring the existing facility under the new intended $475 million limit. Effectively, under the legal agreements, it would be transferring certain loans from the existing facility to the new facility. The intention is that there will be no movement of funds and therefore no cash impact (that is, IESO does not repay the existing loans, and the OFA does not fund the new loans).
Would you please confirm if there are any obstacles from an operational perspective (settlement, cash, accounting, risk) with transferring any 'excess loan amount' from the existing credit facility to the new FHP credit facility?
Thanks,
Sarah

From: Andrea Dalgarno
To: Sarah Harris
Subject: FW: OIC 1279-2017 (CIPA $2billion, Expiry Dec 31,2047)
Date: Tuesday, October 24, 2017 1:48:46 PM

Hi,
John Kim wouldn't know the answer to my question?
Regards,
Andrea

From: Bonnie Zhang
Sent: Tuesday, October 24, 2017 1:47 PM
To: Andrea Dalgarno
Subject: RE: OIC 1279-2017 (CIPA $2billion, Expiry Dec 31,2047)
Hi Andrea,
John Kim should be the right person to talk to. My lending directive doesn't included Fair Hydro loans. If any, John would need to apply for a separate Lending Directive for the purpose.
Thanks,
Bonnie

From: Andrea Dalgarno
Sent: Tuesday, October 24, 2017 1:31 PM
To: Bonnie Zhang <Bonnie.Zhang@ofina.on.ca>
Subject: RE: OIC 1279-2017 (CIPA $2billion, Expiry Dec 31,2047)
Hi Bonnie,
San is waiting for my verification of the of the report as at September 30, 2017. Have you had a chance to take a look at my question?
We currently think it should be included for the purposes of San's note but want to make sure doing so would not be in conflict with the approach used for the OFA Annual Lending Directive.
Regards,
Andrea

From: Andrea Dalgarno
Sent: Friday, October 20, 2017 10:55 AM
To: Bonnie Zhang <Bonnie.Zhang@ofina.on.ca>
Cc: San Rajaratnam <San.Rajaratnam@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: OIC 1279-2017 (CIPA $2billion, Expiry Dec 31,2047)
Hi Bonnie,
We provide Accounting (San) with the attached report (Total OIC Amount) as it pertains to authority under OFA OIC's. My understanding is that he uses it in a note to the OFA Financial Statements.
I am of the understanding that there was an OIC approved (OIC 1279-2017- attached) in relation to the Fair Hydro Plan which gives the OFA additional authority of $2billion that expires Dec 31, 2047.
Do you know if this OIC should be included in the Total OIC Amount used by Accounting in the note to the OFA's financial statements? Would doing so be in any way contradictory in terms of the OFA Annual lending directive.
Regards,
Andrea Dalgarno

Documentation & Analysis Specialist
Ontario Financing Authority
Tel 416-212-7451
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged and confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message including any attachments, without reading it or making a copy. Thank you

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Date: Tuesday, October 24, 2017 1:48:46 PM

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Andrea

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Sent: Friday, October 20, 2017 10:55 AM

To: Bonnie Zhang <Bonnie.Zhang@ofina.on.ca>
Cc: San Rajaratnam <San.Rajaratnam@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: OIC 1279-2017 (CIPA $2billion, Expiry Dec 31,2047)

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Regards,

Andrea Dalgarno
Documentation & Analysis Specialist
Ontario Financing Authority
Tel 416-212-7451

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From: Sarah Harris
To: Opal Kandelas
Subject: FW: OIC PDF
Date: Wednesday, October 25, 2017 3:14:36 PM
Attachments: Term Sheet - Provincial Protection Agreement - Sept 18 - Clean.docx

---

One more item...

-----Original Message-----
From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Wednesday, October 25, 2017 3:08 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OIC PDF

Sarah - Please see the final term sheet, attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: October 25, 2017 2:47 PM
To: Harris, Sarah (OFA)
Cc: Whitfield, Tobias P. (MOF)
Subject: FW: OIC PDF

-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: September 19, 2017 1:33 PM
To: Strathy, Anna (OFA); Hanslep, Malle (MOF)
Subject: OIC PDF

PDF of OIC attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456
Original Message
From: ONP2F00851305@ontario.ca
Sent: Tuesday, September 19, 2017 12:35 PM
To: Whitfield, Tobias P. (MOF)
Reply To: ONP2F00851305@ontario.ca
Subject: Scan from a Xerox WorkCentre

Please open the attached document. It was scanned and sent to you using a Xerox WorkCentre.

Attachment File Type: PDF, Multi-Page

WorkCentre Location: machine location not set Device Name: ONP2F00851305

Confidential
<u>Updated Version</u>: September 18, 2017

<u>Provincial Protections and Assurances</u>

<u>Indicative Term Sheet</u>

<u>Ontario Fair Hydro Plan Act, 2017</u>

*This indicative term sheet (the "**Term Sheet**") relates to transactions contemplated to be undertaken under the Ontario Fair Hydro Plan Act, 2017 (the "**Act**") and the regulations made thereunder (the "**Regulation**"). This Term Sheet is to be held confidential. Unless otherwise specified, defined terms used herein have the meanings ascribed to them in the Act. The provincial protection and assurance arrangements contemplated in this Term Sheet will include such terms and conditions as the Minister of Energy and the Minister of Finance determine to be appropriate. This Term Sheet is not intended to create any obligations or be binding.*

Change of Law Protection Agreement:	A Change of Law Protection Agreement will be among the Obligor, a Financing Entity and an Indenture Trustee, acting for and on behalf of the Beneficiaries in accordance with a Trust Indenture.
Obligor:	The Province of Ontario, by the Minister of Energy and the Minister of Finance acting together.
Indenture Trustee:	An indenture trustee, acting for itself and on behalf of other persons entitled under an applicable Trust Indenture.
Beneficiaries:	The Indenture Trustee, acting for itself and on behalf of other persons entitled under Specified Claims.
Specified Claims:	Payment obligations of the Financing Entity that are secured under the Trust Indenture and that are approved as contemplated below under Obligor Approval.
Protection Events:	Any of the following would constitute a Protection Event: (A) (1) the Legislature repeals (and does not replace on an equivalent basis) or amends the Act or any portion thereof; (2) the Legislature enacts or amends any other statute; (3) the Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) or amends the Regulation made under the Act or any portion thereof; or (4) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council

	makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*); (5) there is a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province or an entity controlled by the Province, in each case, that [materially][1] and adversely affects (a) the ability of the Financing Entity to receive amounts on its investment interest so that it can pay Specified Claims, or (b) the Change of Law Protection Agreement or any of the agreements under which Specified Claims arise, other than if the Indenture Trustee has confirmed in writing that the affect under such agreements is otherwise acceptable; or (B) a court of competent jurisdiction [in a final and non-appealable judgement][2] determines that all or a portion of the Act or the Regulation is *ultra vires* or invalid in a way that [materially][3] and adversely affects the ability of the Financing Entity to receive amounts on its investment interest so that it can pay Specified Claims.
Obligation to Pay Specified Claims:	Upon the occurrence of a Protection Event, the Indenture Trustee will have the right to require the Obligor to pay the Specified Claims owing by the Financing Entity when they become due and payable (without acceleration). The exercise of such right by the Indenture Trustee in accordance with the Trust Indenture shall constitute the only remedy available under the Change of Law Protection Agreement. Under no circumstances shall the Obligor be obligated to pay or indemnify a Beneficiary for consequential, special or punitive damages, or for economic loss or loss of profits.
Subrogation:	Upon paying a Specified Claim to a Beneficiary, the Obligor as guarantor shall have rights of subrogation, including becoming entitled to all of the applicable Beneficiary's rights and interests under and in respect of the Specified Claim, including the security interest in each related investment interest and related property of the Financing Entity.

[1] Under consideration to assess the marketability implications of materiality threshold.

[2] Under consideration to assess the marketability implications of this phrase.

[3] See footnote 1, above.

Optional Assumption:	At any time following the occurrence of a Protection Event, the Obligor shall be entitled (but not obligated) to assume the Financing Entity's obligations in respect of Specified Claims as obligor and debtor. The Financing Entity (including through the Financial Services Manager) will ensure that Specified Claims permit such an assumption by the Obligor without any penalty or make-whole payment (or, in the case of any contract for the provision of on-going services to the Financing Entity, the satisfaction and termination of the Specified Claims without any acceleration of future fees, profits or other like amounts), or any requirement for further consent, approval or agreement.
Term:	The Change of Law Protection Agreement will continue for as long as any Specified Claim remains outstanding.
Obligor Approval:	The process by which a Specified Claim will become subject to the Change of Law Protection Agreement will be determined by the Minister of Finance and Minister of Energy in negotiation with the Financing Entity.
FIPPA:	The Change of Law Protection Agreement will acknowledge that the Obligor will be bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Obligor, or any agent or representative of the Obligor in connection with the Change of Law Protection Agreement, may be subject to disclosure in accordance with the act or as otherwise required by law.
Representations and Warranties:	To be determined by the Minister of Finance and Minister of Energy in negotiation with the Financing Entity.
Confidentiality Obligations:	To be determined based on what would be customary and appropriate for similar types of arrangements and is acceptable to the Obligor and the Financing Entity.
Governing Law:	Province of Ontario.

From: Hanslep, Malle (MOF)
To: Sarah Harris
Cc: Tobias P. Whitfield (MOF)
Subject: FW: OIC PDF
Date: Wednesday, October 25, 2017 2:46:58 PM
Attachments: DOC.PDF

-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: September 19, 2017 1:33 PM
To: Strathy, Anna (OFA); Hanslep, Malle (MOF)
Subject: OIC PDF

PDF of OIC attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456

Original Message
From: ONP2F00851305@ontario.ca
Sent: Tuesday, September 19, 2017 12:35 PM
To: Whitfield, Tobias P. (MOF)
Reply To: ONP2F00851305@ontario.ca
Subject: Scan from a Xerox WorkCentre

Please open the attached document. It was scanned and sent to you using a Xerox WorkCentre.

Attachment File Type: PDF, Multi-Page

WorkCentre Location: machine location not set
Device Name: ONP2F00851305

Ontario

Executive Council of Ontario
Order in Council

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

Conseil exécutif de l'Ontario
Décret

Sur la recommandation de la personne soussignée, la lieutenante-gouverneure de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

WHEREAS pursuant to subsection 5(3) of the *Ontario Fair Hydro Plan Act, 2017* (the "Act"), the Lieutenant Governor in Council may by order authorize the Minister of Energy and the Minister of Finance, acting together on behalf of the Province to agree to guarantee or indemnify any debts, obligations, securities or undertakings associated with an investment interest as described under the Act;

AND WHEREAS pursuant to subsection 22(2) of the Act, Ontario Power Generation Inc. as financial services manager, may establish or cause to be established one or more financing entities (a "Financing Entity") that may incur funding obligations in connection with investment interests;

AND WHEREAS it is considered desirable to authorize the Minister of Energy and the Minister of Finance to agree to guarantee or indemnify debts, obligations, securities or undertakings of a Financing Entity associated with investment interests acquired by a Financing Entity;

NOW THEREFORE:

1. Pursuant to subsection 5(3) of the *Ontario Fair Hydro Plan Act, 2017*, the Minister of Energy and the Minister of Finance, acting together on behalf of Ontario, are authorized to enter into one or more agreements to guarantee or indemnify the debts, obligations securities or undertakings of a Financing Entity associated with investment interests acquired by a Financing Entity.

2. The Minister of Energy and the Minister of Finance, acting together on behalf of Ontario are authorized to determine terms and conditions of the guarantee or indemnity and the maximum liability for the guarantee and indemnity authorized under paragraph 1 of this Order.

- - - - - - -

ATTENDU QU'en vertu du paragraphe 5 (3) de la *Loi de 2017 sur le Plan ontarien pour des frais d'électricité équitables* (la « Loi »), le lieutenant-gouverneur en conseil peut, par décret, autoriser le ministre de l'Énergie et le ministre des Finances, agissant de concert au nom de la province, à accepter de garantir ou de rembourser les dettes, obligations, valeurs mobilières ou engagements associés à une participation d'investissement et prévus dans la Loi;

ATTENDU QU'en vertu du paragraphe 22 (2) de la Loi, Ontario Power Generation Inc., en tant que gestionnaire des services financiers, peut créer ou faire créer une ou plusieurs entités de

Authority Verified/Compétence vérifiée: _____

Please print name/Nom en lettres moulées s.v.p.: Tobias Whitfield

Telephone/Téléphone: 416-325-1456

Recommended by the Treasury Board/Management Board of Cabinet on:
Recommandé par le Conseil du Trésor / Conseil de gestion du gouvernement le : _____

Secretary/Secrétaire: _____

financement (une « entité de financement ») qui peuvent contracter des obligations de financement dans le cadre de la participation d'investissement;

ATTENDU QU'il est jugé souhaitable d'autoriser le ministre de l'Énergie et le ministre des Finances à accepter de garantir ou de rembourser les dettes, obligations, valeurs mobilières ou engagements d'une entité de financement qui sont associés à une participation d'investissement acquise par cette dernière;

EN CONSÉQUENCE :

1. En vertu du paragraphe 5 (3) de la *Loi de 2017 sur le Plan ontarien pour des frais d'électricité équitables*, le ministre de l'Énergie et le ministre des Finances, agissant de concert au nom de la province, sont autorisés à accepter de garantir ou de rembourser les dettes, obligations, valeurs mobilières ou engagements d'une entité de financement qui sont associés à une participation d'investissement acquise par cette dernière.

2. Le ministre de l'Énergie et le ministre des Finances, agissant de concert au nom de la province, sont autorisés à fixer les conditions et le plafond de la garantie ou du remboursement qu'autorise l'article 1 du présent décret.

_____

Recommended: Minister of Finance
Recommandé par : Le ministre des Finances

_____

Recommended: Minister of Energy
Recommandé par : Le ministre de l'Énergie

_____

Concurred: Chair of Cabinet
Appuyé par : Le président/la présidente du Conseil des ministres

Approved and Ordered:
Approuvé et décrété le :

_____

Lieutenant Governor
La lieutenante-gouverneure

From: Sarah Harris
To: Opal Kandelas
Subject: FW: OIC PDF
Date: Wednesday, October 25, 2017 3:14:36 PM
Attachments: Term Sheet - Provincial Protection Agreement - Sept 18 - Clean.docx

---

One more item...

-----Original Message-----
From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Wednesday, October 25, 2017 3:08 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OIC PDF

Sarah - Please see the final term sheet, attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

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Attachment File Type: PDF, Multi-Page

WorkCentre Location: machine location not set Device Name: ONP2F00851305

Confidential
<u>Updated Version</u>: September 18, 2017

<u>Provincial Protections and Assurances</u>

<u>Indicative Term Sheet</u>

<u>Ontario Fair Hydro Plan Act, 2017</u>

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Specified Claims:	Payment obligations of the Financing Entity that are secured under the Trust Indenture and that are approved as contemplated below under Obligor Approval.
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[2] Under consideration to assess the marketability implications of this phrase.

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Confidentiality Obligations:	To be determined based on what would be customary and appropriate for similar types of arrangements and is acceptable to the Obligor and the Financing Entity.
Governing Law:	Province of Ontario.

From: Sarah Harris
To: Andrea Dalgarno
Subject: FW: OIC s22 CIPA - OFA-IESO
Date: Friday, October 20, 2017 10:29:22 AM
Attachments: 1 - CIPA - OIC s22 - OFA_FHP - LRC_MinistryApprovalForm.doc
2 - CIPA - OIC s22 - OFA_FHP - LRC_Memo CEO to DM.doc
3 - CIPA - OIC s22 - OFA_FHP - LRC_Memo DM to Minister.doc
4 - CIPA OIC s.22 May 2017 (v.4) - ENG and FRE.docx

From: Bruno Amara
Sent: Wednesday, May 31, 2017 5:23 PM
To: Patrick Rundans (MOF) ; Sarah Harris ; Salman Qadir
Cc: Gavin He ; John Kim
Subject: FW: OIC s22 CIPA - OFA-IESO

Hi All,

As you may be aware The Fair Hydro Act was passed today. As a result we updated language in the materials. E.g., ~~*proposed*~~ *Ontario Fair Hydro Act, 2017.* No content changes. I think these updates affected the first three attached documents but not the 4th , i.e., the OIC.

Thanks

Bruno

From: Rundans, Patrick (MOF) [mailto:Patrick.Rundans@ontario.ca]
Sent: Wednesday, May 31, 2017 4:14 PM
To: Gavin He <Gavin.He@ofina.on.ca>
Subject: Re: OIC s22 CIPA - OFA-IESO

Gavin, I will let you know as soon as possible.

Sent with BlackBerry Work (www.blackberry.com)

From: [Gavin He <Gavin.He@ofina.on.ca>]
Sent: May 31, 2017 4:08 PM
To: ["Rundans, Patrick (MOF)" <Patrick.Rundans@ontario.ca>]
Subject: [RE: OIC s22 CIPA - OFA-IESO]
Cc: [Salman Qadir <Salman.Qadir@ofina.on.ca>]

Hi Patrick,

Hope your day is going well!

Just want to check in with you to see if you have got a chance to review the updated package that Salman sent you yesterday? Please let me know if you are good with the updated package.

Thanks,

Gavin He

From: Rundans, Patrick (MOF) [mailto:Patrick.Rundans@ontario.ca]
Sent: Wednesday, May 31, 2017 12:42 PM
To: Bruno Amara <Bruno.Amara@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: Re: OIC s22 CIPA - OFA-IESO

I will get the translators to confirm.

Sent with BlackBerry Work (www.blackberry.com)

From: [Bruno Amara <Bruno.Amara@ofina.on.ca>]
Sent: May 31, 2017 12:12 PM
To: ["Rundans, Patrick (MOF)" <Patrick.Rundans@ontario.ca>]
Subject: [FW: OIC s22 CIPA - OFA-IESO]
Cc: ["Kim, John (OFA)" <John.Kim@ofina.on.ca>, Salman Qadir <Salman.Qadir@ofina.on.ca>, "Harris, Sarah (OFA)" <Sarah.Harris@ofina.on.ca>, "He, Gavin (OFA)" <Gavin.He@ofina.on.ca>]

Hi Patrick
Apologies, regarding the French translation. 1) I had updated using my high school French and 2) in the translation I had missed updating the change in date from June to December 31, 2017. I have revised in attached "4 – CIPA s.22…" , but of course, this should be reviewed.
Thanks
Bruno

From: Bruno Amara
Sent: Wednesday, May 31, 2017 10:56 AM
To: Patrick Rundans (MOF) <Patrick.Rundans@ontario.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>
Subject: RE: OIC s22 CIPA - OFA-IESO

Hi Patrick
Per Salman's email attached are the revised materials. Note the amount changed to $2B per Salman's email, but also further direction to change repayment date to December 31, 2047. Let me know if you have any questions/concerns.
Thanks
Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority
Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

From: Rundans, Patrick (MOF) [mailto:Patrick.Rundans@ontario.ca]
Sent: Tuesday, May 30, 2017 5:51 PM
To: Salman Qadir <Salman.Qadir@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: OIC s22 CIPA - OFA-IESO

Will do Salman.

Patrick Rundans
Counsel
Ministry of the Attorney General
Ministry of Finance, Legal Services Branch

T: 416-212-4538
F: 416-325-1460
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From: Salman Qadir [mailto:Salman.Qadir@ofina.on.ca]
Sent: May 30, 2017 5:36 PM
To: Rundans, Patrick (MOF)
Cc: Harris, Sarah (OFA); Bruno Amara; Kim, John (OFA)
Subject: OIC s22 CIPA - OFA-IESO

Hi Patrick,

As the OIC package was going through our OFA approvals, we have now been directed that the OIC amount should be $2.0 billion, with an expiry date of June 30, 2047, to line up with the IESO request and the term of the FHP.

I'll recirculate the updated LRC package once I get a finalized version in place. Could we update the OIC to reflect this as I know it may take some time.

Let us know.

Thank you,

Salman

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

LEGISLATION AND REGULATIONS COMMITTEE:
MINISTRY APPROVAL FORM

LRC Tracking #: OICNA-13188
EVista Tracking #: SUB-NAOIC-2017-01004

Ministry of Finance

Capital Investment Plan Act

Order in Council

Profile at a Glance

Priority: Consequential to Commitment
Public Interest: Low
Key Stakeholder Interest: Very high
New Costs/Burdens: Yes for Government
New Savings/Opportunities: Yes for Government

Proposed Items for Review

1. Approval of Order in Council ("OIC") under section 22 of the *Capital Investment Plan Act, 1993 ("CIPA"),* authorizing the Minister of Finance to make a loan to the Ontario Financing Authority ("OFA").

Approvals required prior to LRC

	Committee and date	Cabinet Date
Policy		
TB/MBC	LRC, June 27, 2017	June 27, 2017

Deputy Minister _____ Date _____

Minister _____ Date _____

s. 1 Proposal and Context

- Approval is being sought for an OIC under section 22 of *Capital Investment Plan Act, 1993* ("CIPA"), which will authorize the Minister of Finance to provide loan(s) to the Ontario Financing Authority ("OFA") in an amount of up to $2.0 billion. Under the proposed OIC, repayment of advances made under the loan plus accrued interest may be made in whole or in part at any time provided that the loan plus any accrued interest shall be fully repaid by [December 31, 2047].

- Subsection 22(1) of CIPA authorizes the Minister of Finance to make loans to the OFA in the amounts, times and on the terms and conditions authorized by Lieutenant Governor in Council ("LGIC"). Subsection 22(2) provides a statutory appropriation for loans made by the Minister to the OFA under subsection 22(1).

- Existing OICs authorize the Minister of Finance to provide loans to the OFA under which the OFA has provided loans and credit facilities to colleges, school boards and other public agencies such as Infrastructure Ontario, IESO, Ontario Lottery and Gaming Corporation and Liquor Control Board of Ontario.

- This proposed OIC is required to increase the overall Minister of Finance lending authority to the OFA to allow the OFA to provide loans under credit facilities requested by the Independent Electricity System Operator ("IESO").
    - This will help the IESO to fulfil the commitments under the proposed Fair Hydro Act, 2017, under anticipated and potential timing differences in the implementation of the proposed Fair Hydro Plan.
    - The timing of this OIC is critical to ensure borrowing authority for the OFA is available to provide the IESO its requested financing arrangements upon the enactment of the proposed *Ontario Fair Hydro Plan Act, 2017.*

s. 2 Approach and Intended Outcomes

- Under CIPA, the OFA provides financing to public bodies as directed by the Minister of Finance. The OFA obtains the funds it needs for its lending program by borrowing from the Province. This OIC would authorize the Minister of Finance under section 22 of CIPA to provide additional loans to

the OFA.

- As per subsection 3(1) of CIPA, the Minister of Finance is responsible for the administration of CIPA with respect to the OFA.

- This proposed OIC is required to assist in fulfilling the commitments under the *Ontario Fair Hydro Plan Act, 2017.*

- It is expected that as part of the implementation, the Minister of Finance will direct the OFA to provide a revolving credit facility for short term financing related to the on-going *Ontario Fair Hydro Plan Act, 2017*. In particular, the OFA would be directed to provide a credit facility to the Independent Electricity System Operator ("IESO"). The IESO is a public body for the purposes of CIPA.

- Under the *Ontario Fair Hydro Plan Act, 2017,* the IESO will incur a monthly funding shortfall in the early years of the plan, as a portion of the Global Adjustment charge to ratepayers will be deferred to the future. Global Adjustment amounts initially collected will, therefore, be insufficient to fund the IESO's contractual obligations to electricity producers and service providers.

- The *Ontario Fair Hydro Plan Act, 2017* allows the IESO the right to recover those deferred amounts from specified consumers in the future (the "regulatory asset") and the ability to sell that asset.
    - It is anticipated that the regulatory asset will be purchased by the financing entity to be established by OPG ("OPG SPV", an OPG special purpose vehicle or trust).
    - The cash received will be used by the IESO to fund the current Global Adjustment shortfall.

- There is expected to be initial and potential ongoing IESO cash flow requirement timing differences. The OPG SPV is not anticipated to be established and able to borrow to finance the purchase of the regulatory asset from the IESO until later in 2017. Even once the SPV is set up to borrow, there may be timing differences between the IESO's monthly settlement process when it has to pay generators and when the SPV purchases the asset from IESO. Also, under the legislation, OPG's SPV is not required to purchase any portion of the regulatory asset.

- As a result, IESO requires short-term financing to be in place for initial and potential monthly timing differences, or in the event that the OPG SPV, at any

time, does not purchase a portion of the regulatory asset.

- IESO has requested that the OFA provide a revolving credit facility of up to $2.0 billion to support its role in the implementation of the *Ontario Fair Hydro Plan Act, 2017*.

- It is proposed that the OIC authorization be for $2.0 billion, which would be in addition to existing authority for the Minister of Finance to provide loans to the OFA, to ensure that there is sufficient borrowing authority in place for the OFA to meet the IESO requirements.

- If approved, the Minister of Finance will subsequently provide a Directive to the OFA to direct it to provide credit facilities to the IESO in an amount not to exceed $2.5 billion.
    - The OFA currently provides a credit facility to the IESO of $975 million.
    - The IESO has requested that the existing credit facility be reduced to $475 million, and a new credit facility be provided of $2.0 billion, for a total amount of $2.475 million.

s. 3 Direction and Urgency

- The Province passed legislation on May 31, 2017 to implement the *Ontario Fair Hydro Plan Act, 2017,* which will reduce electricity bills by 25 per cent on average for eligible households.
- The ability for the OFA to have the requisite borrowing and lending capacity is instrumental in supporting implementation of the *Ontario Fair Hydro Plan Act, 2017*.
- Ministry of Energy proposed regulations under the proposed *Ontario Fair Hydro Plan Act, 2017* are expected to track for Cabinet approval by end of June 2017. It is expected that this OIC also be submitted for approval concurrently as it supports a crucial component of the successfully implementation of the Fair Hydro Plan.
- A related Cabinet Minute from the Ministry of Energy is tracking for June 27, 2017 date.

s. 4 Impact Assessment and Costs

- With this OIC, the Minister of Finance will be authorized to lend an additional amount of $2.0 billion to the OFA. Subject to the terms and conditions of a Directive from the Minister of Finance, loans from the Minister of Finance to the OFA are expected to be at the Province's cost of funds.
- Loans advanced will result in increased borrowing in the debt markets by the Province.
- Loans are expected to be repaid and, therefore, no fiscal impact is expected.

s. 5 Implementation

- If the OIC is approved and signed, the Minister of Finance will have authorization to provide a loan to the OFA. A Directive from the Minister will be required that will provide direction to the OFA on how it can use the proceeds of the loan.

s. 6 Delivery and Results Tracking

- As described in section 2 above, the requirement for this OIC is a result of the Province's *Ontario Fair Hydro Plan Act, 2017* and is required to ensure the timely implementation and support for the success of the Fair Hydro Plan. Upon approval, the Minister of Finance will have authorization to provide a loan to the OFA with a directive on how the loan can be used.

s.7 Stakeholder Consultations

- As described in section 2 above, the requirement for this OIC is a result of the Province's *Ontario Fair Hydro Plan Act, 2017*. The related Cabinet note for the initiative should be referred to.

s.8 Other Jurisdictions and Harmonization

- N/A

s. 9 Communications

- N/A

s. 10 Contacts and Appendices

Contacts

	Name	Phone Number
Ministry Policy/Program	Bruno Amara Snr Manager, Electricity Finance Branch Ontario Financing Authority	(416) 325-1489
Ministry Legal	Patrick Rundans Legal Counsel, Legal Services Branch Ministry of Finance	416-212-4538
Ministry Communications	N/A	N/A
Assistant or Deputy Minister's Office	Jonathan Tekle Policy Advisor Deputy Minister's Office	416-325-8736
Cabinet Office Policy	[name] [title] Cabinet Office	

Appendices

Appendix A: The Proposed OIC

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7
(416) 325-8000

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A 1Y7

Ontario

June , 2017

MEMORANDUM TO: Scott Thompson
Deputy Minister of Finance

FROM: Gadi Mayman
Chief Executive Officer

SUBJECT: **Approval of an Order in Council under section 22 of the *Capital Investment Plan Act***

Attached for the Minister's review and consideration is a submission for an Order in Council ("OIC") under section 22 of the *Capital Investment Plan Act* ("CIPA") for the purpose of authorizing the Minister of Finance to make loan(s) to the Ontario Financing Authority ("OFA"). The proceeds from these loans would allow the OFA to lend to the Independent Electricity Systems Operator ("IESO") in connection with the implementation of the Province's *Ontario Fair Hydro Plan Act, 2017*, subject to the approval of the Legislature.

IESO has requested that the OFA provide a revolving credit facility of up to $2.0 billion to support its role in the implementation of the *Ontario Fair Hydro Plan Act, 2017*.

Under the *Ontario Fair Hydro Plan Act, 2017,* the IESO will incur a monthly funding shortfall in the early years of the plan, as a portion of the Global Adjustment charge to ratepayers will be deferred to the future. Global Adjustment amounts initially collected will, therefore, be insufficient to fund the IESO's contractual obligations to electricity producers and service providers. The *Ontario Fair Hydro Plan Act, 2017* allows the IESO the right to recover those deferred amounts from specified consumers in the future (the "regulatory asset") and the ability to sell that asset. It is anticipated that the regulatory asset would be purchased by the financing entity to be established by OPG ("OPG SPV"), an OPG special purpose vehicle or trust. The cash received would be used by the IESO to fund the current Global Adjustment shortfall.

../2

There is expected to be initial and potential ongoing IESO cash flow requirement timing differences. The OPG SPV is not anticipated to be established and able to borrow to finance the purchase of the regulatory asset from the IESO until later in 2017. Even once the SPV is set up to borrow, there may be timing differences between the IESO's monthly settlement process when it has to pay generators and when the SPV purchases the asset from IESO. Also, under the proposed legislation, OPG's SPV is not required to purchase any portion of the regulatory asset.

As a result, IESO requires short-term financing to be in place for initial and potential monthly timing differences, or in the event that the OPG SPV, at any time, does not purchase a portion of the regulatory asset.

The OFA obtains the funding it needs to carry out its lending programs by borrowing from the Province. This proposed OIC authorizes the Minister of Finance to lend up to an additional Canadian $2.0 billion to the OFA. In addition, in order for the OFA to provide the IESO its requested credit facility, a direction from the Minister of Finance to the OFA under CIPA will also be required.

Attached for your signature is a memorandum from you to the Minister requesting that the Minister recommend the OIC. This OIC is on track to be considered at LRC on June 27, 2017 together with proposed Ministry of Energy submission for regulations related to the *Ontario Fair Hydro Plan Act, 2017.*

Staff are available to address any questions you may have regarding this matter.

Gadi Mayman

Attachment

c. Ronald Kwan, ADM, Corporate and Electricity Finance Division
John Kim, Director, Electricity Finance Branch, Ontario Financing Authority

Ministry of Finance
Office of the
Deputy Minister

Frost Building South
7 Queen's Park Cr
Toronto ON M7A 1Y7
Tel (416) 325-1590
Fax (416) 325-1595

Ministère des Finances
Bureau du
sous-ministre

Édifice Frost sud
7 Queen's Park Cr
Toronto ON M7A 1Y7
Tél (416) 325-1590
Téléc (416) 325-1595

Ontario

MEMORANDUM TO: The Honourable Charles Sousa
Minister of Finance

FROM: Scott Thompson
Deputy Minister of Finance

SUBJECT: **Approval of an Order in Council under section 22 of the *Capital Investment Plan Act***

Attached for your approval and signature is a submission for an Order in Council ("OIC") under section 22 of the *Capital Investment Plan Act* ("CIPA") for the purpose of authorizing the Minister of Finance to make loan(s) to the Ontario Financing Authority ("OFA"). The proceeds from these loans would allow the OFA to lend to the Independent Electricity Systems Operator ("IESO") in connection with the implementation of the Province's *Ontario Fair Hydro Plan Act, 2017.*

IESO has requested that the OFA provide a revolving credit facility of up to $2.0 billion to support its role in the implementation of the *Ontario Fair Hydro Plan Act, 2017*.

Under the *Ontario Fair Hydro Plan Act, 2017,* the IESO will incur a monthly funding shortfall in the early years of the plan, as a portion of the Global Adjustment charge to ratepayers will be deferred to the future. Global Adjustment amounts initially collected will, therefore, be insufficient to fund the IESO's contractual obligations to electricity producers and service providers. The *Ontario Fair Hydro Plan Act, 2017* allows the IESO the right to recover those deferred amounts from specified consumers in the future (the "regulatory asset") and the ability to sell that asset. It is anticipated that the regulatory asset would be purchased by the financing entity to be established by OPG ("OPG SPV"), an OPG special purpose vehicle or trust. The cash received would be used by the IESO to fund the current Global Adjustment shortfall.

../2

There is expected to be initial and potential ongoing IESO cash flow requirement timing differences. The OPG SPV is not anticipated to be established and able to borrow to finance the purchase of the regulatory asset from the IESO until later in 2017. Even once the SPV is set up to borrow, there may be timing differences between the IESO's monthly settlement process when it has to pay generators and when the SPV purchases the asset from IESO. Also, under the legislation, OPG's SPV is not required to purchase any portion of the regulatory asset.

As a result, IESO requires short-term financing to be in place for initial and potential monthly timing differences, or in the event that the OPG SPV, at any time, does not purchase a portion of the regulatory asset

The OFA obtains the funding it needs to carry out its lending programs by borrowing from the Province. This proposed OIC authorizes the Minister of Finance to lend up to an additional Canadian $2.0 billion to the OFA. In addition, in order for the OFA to provide the IESO its requested credit facility, a direction from the Minister of Finance to the OFA under CIPA will also be required.

Staff of the Ontario Financing Authority are available to address any questions you may have regarding this matter.

Scott Thompson

Attachment

c. Gadi Mayman, CEO, Ontario Financing Authority
Ronald Kwan, ADM, Ontario Financing Authority

Authority Verified/Compétence vérifiée: _____

Please print name/Nom en lettres moulées s.v.p.: _____

Telephone/Téléphone: _____

Recommended by the Treasury Board/Management Board of Cabinet on:
Recommandé par le Conseil du Trésor / Conseil de gestion du gouvernement le: _____

Secretary/Secrétaire: _____

Executive Council of Ontario/Conseil exécutif de l'Ontario **[Bilingual]**

[Bilingue]

Ontario

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

Sur la recommandation de la personne soussignée, la lieutenante-gouverneure de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

WHEREAS pursuant to subsection 22(1) of the *Capital Investment Plan Act, 1993* (the "Act"), the Minister of Finance may purchase securities of or make loans to corporations established under subsection 2(1) of the Act in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council considers expedient;

AND WHEREAS the Ontario Financing Authority (the "OFA") is a corporation established under subsection 2(1) of the Act;

AND WHEREAS pursuant to subsection 6(3) of the Act, the power of a corporation established under subsection 2(1) of the Act to borrow and issue securities, among other things, may only be exercised under the authority of a by-law that has been approved by the Minister of Finance;

AND WHEREAS the OFA wishes to borrow up to Two Billion Dollars in lawful money of Canada from the Minister of Finance and has been authorized to do so by a borrowing by-law approved in accordance with the Act;

THEREFORE:

Pursuant to subsection 22 (1) of the Act, the Minister of Finance is authorized to lend a maximum of Two Billion Dollars in lawful money of Canada to the OFA on the following terms and conditions:

(a) the loan may be advanced in such amounts and at such time or times as required by the OFA;

(b) repayment of advances made under the loan plus accrued interest may be made in whole or in part at any time provided that the loan plus any accrued interest shall be fully repaid by [December 31, 2047];

(c) each advance (an “Advance”) made under the loan hereby authorized shall bear interest at a rate which is determined as follows:

(i) from the date of the Advance to (but excluding) the date of repayment the Advance shall bear interest at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the “Reset Date”) to the yield earned on ninety day Province of Ontario treasury bills immediately preceding the Reset Date for such ninety day period as determined by the Province;

(ii) in the event that moneys included in an Advance are used by the OFA for the purpose of funding loans to third parties (a “Third Party Loan”), the rate of interest payable by the OFA to the Province on the portion of the Advance so used shall be adjusted effective as of the date that the portion of the Advance is used to fund the Third Party Loan so that the per annum rate of interest payable by the OFA on such moneys is equivalent to the per annum rate of interest payable to the OFA under the Third Party Loan less an amount as may be determined by the Minister of Finance in respect of such Third Party Loan or a class of such Third Party Loans, until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently used to fund loans to third parties, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Province on that portion of the Advance used to fund such loan, and so on, until the Advance shall be repaid to the Province in full;

(iv) despite subparagraphs (ii) and (iii), in the event that no interest is payable to the OFA under a Third Party Loan, no interest shall be payable by the OFA on the portion of the Advance so used and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period.

(d) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(e) despite paragraph (b) of this Order, interest on any portion of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the OFA receives payment of interest under the relevant Third Party Loan;

(f) despite paragraph (b) of this Order, any portion of the principal of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall become payable only to the extent the OFA receives repayment of principal under the relevant Third Party Loan; and

(g) the loan hereby authorized shall be evidenced by a promissory note.

_____

ATTENDU QUE le ministre des Finances peut, en vertu du paragraphe 22 (1) de la *Loi de 1993 sur le plan d'investissement* (la « Loi »), acheter des valeurs mobilières des personnes morales créées en vertu du paragraphe 2 (1) de la Loi ou leur consentir des prêts selon les montants, aux moments et aux conditions que le lieutenant-gouverneur en conseil estime opportuns;

ATTENDU QUE l'Office ontarien de financement (l'« OOF ») est une personne morale créée en vertu du paragraphe 2 (1) de la Loi;

ATTENDU QUE, conformément au paragraphe 6 (3) de la Loi, le pouvoir qu'ont les personnes morales créées en vertu du paragraphe 2 (1) de la Loi de contracter des emprunts et d'émettre des valeurs mobilières, entre autres, ne peut être exercé qu'aux termes d'un règlement administratif approuvé par le ministre des Finances;

ATTENDU QUE l'OOF souhaite emprunter jusqu'à concurrence de deux milliards de dollars en monnaie légale du Canada du ministre des Finances et qu'il a été autorisé à le faire par un règlement administratif d'emprunt approuvé conformément à la Loi;

PAR CONSÉQUENT :

en vertu du paragraphe 22 (1) de la Loi, le ministre des Finances est autorisé à prêter un montant maximal de deux milliards de dollars en monnaie légale du Canada à l'OOF, aux conditions suivantes :

a) le prêt peut être consenti selon les montants et aux moments qui conviennent à l'OOF;

b) le remboursement des avances consenties au titre du prêt, plus les intérêts courus, peut à tout moment être effectué en totalité ou en partie, pourvu que le prêt et les intérêts courus soient entièrement remboursés au plus tard le 31 décembre 2047;

c) chaque avance (« avance ») faite au titre du prêt autorisé par les présentes portera intérêt au taux est fixé comme suit :

(i) de la date où elle a été faite jusqu'à la date (non comprise) de son remboursement, l'avance portera intérêt à un taux annuel équivalant au rendement gagné sur des bons du Trésor de la province de l'Ontario de quatre-vingt-dix jours à la date précédant la date de l'avance fixée par la province, pourvu que ce taux d'intérêt soit rajusté le dernier jour de chaque période de quatre-vingt-dix jours (« date de rajustement ») selon le rendement gagné sur de tels bons du Trésor immédiatement avant la date de rajustement pour une période de quatre-vingt-dix jours décidée par la province, si l'avance est impayée pendant plus de quatre-vingt-dix jours;

(ii) dans l'éventualité où l'OOF se servirait de sommes comprises dans une avance pour financer des prêts à des tiers, le taux d'intérêt à payer par l'OOF à la province sur la partie de l'avance ainsi utilisée sera rajusté à la date à laquelle la partie de l'avance sera utilisée pour le financement du prêt à un tiers de façon que le taux d'intérêt annuel à payer par l'OOF sur de telles sommes soit équivalent à ce

dernier taux moins un montant que pourra fixer le ministre des Finances à l'égard d'un tel prêt ou d'une telle catégorie de prêt, jusqu'à la date (non comprise) à laquelle le prêt à un tiers sera remboursé, date à laquelle le taux d'intérêt établi au sous-alinéa (i) s'appliquera de nouveau à cette partie de l'avance;

(iii) dans l'éventualité où les sommes décrites au sous-alinéa (ii), une fois remboursées, seraient ultérieurement utilisées pour le financement de prêts à des tiers, le sous-alinéa (ii) s'appliquera de nouveau dans l'établissement du taux d'intérêt à payer à la province sur la partie de l'avance utilisée à cette fin, et ainsi de suite, jusqu'à ce que l'avance ait été remboursée intégralement à la province;

(iv) malgré les sous-alinéas (ii) et (iii), dans l'éventualité où aucun intérêt ne serait payable à l'OOF au titre d'un prêt à un tiers, aucun intérêt ne sera à payer par l'OOF sur la partie de l'avance ainsi utilisée et dans la mesure où les conditions du prêt à un tiers prévoient le report du paiement d'intérêts courus pour une période, le paiement d'intérêts au titre d'une avance ou d'une partie d'une avance sera également reporté pour une période d'égale durée;

d) l'intérêt payable relativement à toute période de moins d'un an sera calculé en fonction du nombre de jours réellement compris dans cette période, par rapport à une année comptant 365 jours;

e) par dérogation à l'alinéa a) ci-dessus, l'intérêt sur toute partie d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers est calculé comme il est indiqué ci-dessus, mais cet intérêt devient payable uniquement dans la mesure où l'OOF reçoit un paiement d'intérêts au titre du prêt à un tiers;

f) par dérogation à l'alinéa b) ci-dessus, toute partie du capital d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers devient payable uniquement dans la mesure où l'OOF reçoit un remboursement du capital au titre du prêt à un tiers

g) le prêt autorisé en vertu des présentes sera attesté par un billet à ordre.

_____

Recommended: Minister of Finance
Recommandé par : Le ministre des Finances

_____

Concurred: Chair of Cabinet
Appuyé par : Le président/la présidente du Conseil des ministres

Approved and Ordered:
Approuvé et décrété le :

_____

Lieutenant Governor
La lieutenante-gouverneure

From: Sarah Harris
To: Andrea Dalgarno
Subject: FW: OIC s22 CIPA - OFA-IESO
Date: Friday, October 20, 2017 10:29:22 AM
Attachments: 1 - CIPA - OIC s22 - OFA_FHP - LRC_MinistryApprovalForm.doc
2 - CIPA - OIC s22 - OFA_FHP - LRC_Memo CEO to DM.doc
3 - CIPA - OIC s22 - OFA_FHP - LRC_Memo DM to Minister.doc
4 - CIPA OIC s.22 May 2017 (v.4) - ENG and FRE.docx

From: Bruno Amara
Sent: Wednesday, May 31, 2017 5:23 PM
To: Patrick Rundans (MOF) ; Sarah Harris ; Salman Qadir
Cc: Gavin He ; John Kim
Subject: FW: OIC s22 CIPA - OFA-IESO

Hi All,

As you may be aware The Fair Hydro Act was passed today. As a result we updated language in the materials. E.g., ~~*proposed*~~ *Ontario Fair Hydro Act, 2017.* No content changes. I think these updates affected the first three attached documents but not the 4th , i.e., the OIC.

Thanks

Bruno

From: Rundans, Patrick (MOF) [mailto:Patrick.Rundans@ontario.ca]
Sent: Wednesday, May 31, 2017 4:14 PM
To: Gavin He <Gavin.He@ofina.on.ca>
Subject: Re: OIC s22 CIPA - OFA-IESO

Gavin, I will let you know as soon as possible.

Sent with BlackBerry Work (www.blackberry.com)

From: [Gavin He <Gavin.He@ofina.on.ca>]
Sent: May 31, 2017 4:08 PM
To: ["Rundans, Patrick (MOF)" <Patrick.Rundans@ontario.ca>]
Subject: [RE: OIC s22 CIPA - OFA-IESO]
Cc: [Salman Qadir <Salman.Qadir@ofina.on.ca>]

Hi Patrick,

Hope your day is going well!

Just want to check in with you to see if you have got a chance to review the updated package that Salman sent you yesterday? Please let me know if you are good with the updated package.

Thanks,

Gavin He

From: Rundans, Patrick (MOF) [mailto:Patrick.Rundans@ontario.ca]
Sent: Wednesday, May 31, 2017 12:42 PM
To: Bruno Amara <Bruno.Amara@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: Re: OIC s22 CIPA - OFA-IESO

I will get the translators to confirm.

Sent with BlackBerry Work (www.blackberry.com)

From: [Bruno Amara <Bruno.Amara@ofina.on.ca>]
Sent: May 31, 2017 12:12 PM
To: ["Rundans, Patrick (MOF)" <Patrick.Rundans@ontario.ca>]
Subject: [FW: OIC s22 CIPA - OFA-IESO]
Cc: ["Kim, John (OFA)" <John.Kim@ofina.on.ca>, Salman Qadir <Salman.Qadir@ofina.on.ca>, "Harris, Sarah (OFA)" <Sarah.Harris@ofina.on.ca>, "He, Gavin (OFA)" <Gavin.He@ofina.on.ca>]

Hi Patrick
Apologies, regarding the French translation. 1) I had updated using my high school French and 2) in the translation I had missed updating the change in date from June to December 31, 2017. I have revised in attached "4 – CIPA s.22…" , but of course, this should be reviewed.
Thanks
Bruno

From: Bruno Amara
Sent: Wednesday, May 31, 2017 10:56 AM
To: Patrick Rundans (MOF) <Patrick.Rundans@ontario.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Salman Qadir <Salman.Qadir@ofina.on.ca>
Subject: RE: OIC s22 CIPA - OFA-IESO

Hi Patrick
Per Salman's email attached are the revised materials. Note the amount changed to $2B per Salman's email, but also further direction to change repayment date to December 31, 2047. Let me know if you have any questions/concerns.
Thanks
Bruno

Bruno Amara
Sr. Manager, Financial and Regulatory Analysis
Electricity Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority
Tel: 416-325-1489
Email: bruno.amara@ofina.on.ca

From: Rundans, Patrick (MOF) [mailto:Patrick.Rundans@ontario.ca]
Sent: Tuesday, May 30, 2017 5:51 PM
To: Salman Qadir <Salman.Qadir@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: OIC s22 CIPA - OFA-IESO

Will do Salman.

Patrick Rundans
Counsel
Ministry of the Attorney General
Ministry of Finance, Legal Services Branch

T: 416-212-4538
F: 416-325-1460
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From: Salman Qadir [mailto:Salman.Qadir@ofina.on.ca]
Sent: May 30, 2017 5:36 PM
To: Rundans, Patrick (MOF)
Cc: Harris, Sarah (OFA); Bruno Amara; Kim, John (OFA)
Subject: OIC s22 CIPA - OFA-IESO

Hi Patrick,

As the OIC package was going through our OFA approvals, we have now been directed that the OIC amount should be $2.0 billion, with an expiry date of June 30, 2047, to line up with the IESO request and the term of the FHP.

I'll recirculate the updated LRC package once I get a finalized version in place. Could we update the OIC to reflect this as I know it may take some time.

Let us know.

Thank you,

Salman

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

LEGISLATION AND REGULATIONS COMMITTEE:
MINISTRY APPROVAL FORM

LRC Tracking #: OICNA-13188
EVista Tracking #: SUB-NAOIC-2017-01004

Ministry of Finance

Capital Investment Plan Act

Order in Council

Profile at a Glance

Priority: Consequential to Commitment
Public Interest: Low
Key Stakeholder Interest: Very high
New Costs/Burdens: Yes for Government
New Savings/Opportunities: Yes for Government

Proposed Items for Review

1. Approval of Order in Council ("OIC") under section 22 of the *Capital Investment Plan Act, 1993 ("CIPA"),* authorizing the Minister of Finance to make a loan to the Ontario Financing Authority ("OFA").

Approvals required prior to LRC

	Committee and date	Cabinet Date
Policy		
TB/MBC	LRC, June 27, 2017	June 27, 2017

Deputy Minister _____ Date _____

Minister _____ Date _____

s. 1 Proposal and Context

- Approval is being sought for an OIC under section 22 of *Capital Investment Plan Act, 1993* ("CIPA"), which will authorize the Minister of Finance to provide loan(s) to the Ontario Financing Authority ("OFA") in an amount of up to $2.0 billion. Under the proposed OIC, repayment of advances made under the loan plus accrued interest may be made in whole or in part at any time provided that the loan plus any accrued interest shall be fully repaid by [December 31, 2047].

- Subsection 22(1) of CIPA authorizes the Minister of Finance to make loans to the OFA in the amounts, times and on the terms and conditions authorized by Lieutenant Governor in Council ("LGIC"). Subsection 22(2) provides a statutory appropriation for loans made by the Minister to the OFA under subsection 22(1).

- Existing OICs authorize the Minister of Finance to provide loans to the OFA under which the OFA has provided loans and credit facilities to colleges, school boards and other public agencies such as Infrastructure Ontario, IESO, Ontario Lottery and Gaming Corporation and Liquor Control Board of Ontario.

- This proposed OIC is required to increase the overall Minister of Finance lending authority to the OFA to allow the OFA to provide loans under credit facilities requested by the Independent Electricity System Operator ("IESO").
    - This will help the IESO to fulfil the commitments under the proposed Fair Hydro Act, 2017, under anticipated and potential timing differences in the implementation of the proposed Fair Hydro Plan.
    - The timing of this OIC is critical to ensure borrowing authority for the OFA is available to provide the IESO its requested financing arrangements upon the enactment of the proposed *Ontario Fair Hydro Plan Act, 2017.*

s. 2 Approach and Intended Outcomes

- Under CIPA, the OFA provides financing to public bodies as directed by the Minister of Finance. The OFA obtains the funds it needs for its lending program by borrowing from the Province. This OIC would authorize the Minister of Finance under section 22 of CIPA to provide additional loans to

the OFA.

- As per subsection 3(1) of CIPA, the Minister of Finance is responsible for the administration of CIPA with respect to the OFA.

- This proposed OIC is required to assist in fulfilling the commitments under the *Ontario Fair Hydro Plan Act, 2017.*

- It is expected that as part of the implementation, the Minister of Finance will direct the OFA to provide a revolving credit facility for short term financing related to the on-going *Ontario Fair Hydro Plan Act, 2017*. In particular, the OFA would be directed to provide a credit facility to the Independent Electricity System Operator ("IESO"). The IESO is a public body for the purposes of CIPA.

- Under the *Ontario Fair Hydro Plan Act, 2017,* the IESO will incur a monthly funding shortfall in the early years of the plan, as a portion of the Global Adjustment charge to ratepayers will be deferred to the future. Global Adjustment amounts initially collected will, therefore, be insufficient to fund the IESO's contractual obligations to electricity producers and service providers.

- The *Ontario Fair Hydro Plan Act, 2017* allows the IESO the right to recover those deferred amounts from specified consumers in the future (the "regulatory asset") and the ability to sell that asset.
    - It is anticipated that the regulatory asset will be purchased by the financing entity to be established by OPG ("OPG SPV", an OPG special purpose vehicle or trust).
    - The cash received will be used by the IESO to fund the current Global Adjustment shortfall.

- There is expected to be initial and potential ongoing IESO cash flow requirement timing differences. The OPG SPV is not anticipated to be established and able to borrow to finance the purchase of the regulatory asset from the IESO until later in 2017. Even once the SPV is set up to borrow, there may be timing differences between the IESO's monthly settlement process when it has to pay generators and when the SPV purchases the asset from IESO. Also, under the legislation, OPG's SPV is not required to purchase any portion of the regulatory asset.

- As a result, IESO requires short-term financing to be in place for initial and potential monthly timing differences, or in the event that the OPG SPV, at any

time, does not purchase a portion of the regulatory asset.

- IESO has requested that the OFA provide a revolving credit facility of up to $2.0 billion to support its role in the implementation of the *Ontario Fair Hydro Plan Act, 2017*.

- It is proposed that the OIC authorization be for $2.0 billion, which would be in addition to existing authority for the Minister of Finance to provide loans to the OFA, to ensure that there is sufficient borrowing authority in place for the OFA to meet the IESO requirements.

- If approved, the Minister of Finance will subsequently provide a Directive to the OFA to direct it to provide credit facilities to the IESO in an amount not to exceed $2.5 billion.
    - The OFA currently provides a credit facility to the IESO of $975 million.
    - The IESO has requested that the existing credit facility be reduced to $475 million, and a new credit facility be provided of $2.0 billion, for a total amount of $2.475 million.

s. 3 Direction and Urgency

- The Province passed legislation on May 31, 2017 to implement the *Ontario Fair Hydro Plan Act, 2017,* which will reduce electricity bills by 25 per cent on average for eligible households.
- The ability for the OFA to have the requisite borrowing and lending capacity is instrumental in supporting implementation of the *Ontario Fair Hydro Plan Act, 2017*.
- Ministry of Energy proposed regulations under the proposed *Ontario Fair Hydro Plan Act, 2017* are expected to track for Cabinet approval by end of June 2017. It is expected that this OIC also be submitted for approval concurrently as it supports a crucial component of the successfully implementation of the Fair Hydro Plan.
- A related Cabinet Minute from the Ministry of Energy is tracking for June 27, 2017 date.

s. 4 Impact Assessment and Costs

- With this OIC, the Minister of Finance will be authorized to lend an additional amount of $2.0 billion to the OFA. Subject to the terms and conditions of a Directive from the Minister of Finance, loans from the Minister of Finance to the OFA are expected to be at the Province's cost of funds.
- Loans advanced will result in increased borrowing in the debt markets by the Province.
- Loans are expected to be repaid and, therefore, no fiscal impact is expected.

s. 5 Implementation

- If the OIC is approved and signed, the Minister of Finance will have authorization to provide a loan to the OFA. A Directive from the Minister will be required that will provide direction to the OFA on how it can use the proceeds of the loan.

s. 6 Delivery and Results Tracking

- As described in section 2 above, the requirement for this OIC is a result of the Province's *Ontario Fair Hydro Plan Act, 2017* and is required to ensure the timely implementation and support for the success of the Fair Hydro Plan. Upon approval, the Minister of Finance will have authorization to provide a loan to the OFA with a directive on how the loan can be used.

s.7 Stakeholder Consultations

- As described in section 2 above, the requirement for this OIC is a result of the Province's *Ontario Fair Hydro Plan Act, 2017*. The related Cabinet note for the initiative should be referred to.

s.8 Other Jurisdictions and Harmonization

- N/A

s. 9 Communications

- N/A

s. 10 Contacts and Appendices

Contacts

	Name	Phone Number
Ministry Policy/Program	Bruno Amara Snr Manager, Electricity Finance Branch Ontario Financing Authority	(416) 325-1489
Ministry Legal	Patrick Rundans Legal Counsel, Legal Services Branch Ministry of Finance	416-212-4538
Ministry Communications	N/A	N/A
Assistant or Deputy Minister's Office	Jonathan Tekle Policy Advisor Deputy Minister's Office	416-325-8736
Cabinet Office Policy	[name] [title] Cabinet Office	

Appendices

Appendix A: The Proposed OIC

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7
(416) 325-8000

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A 1Y7

Ontario

June , 2017

MEMORANDUM TO: Scott Thompson
Deputy Minister of Finance

FROM: Gadi Mayman
Chief Executive Officer

SUBJECT: **Approval of an Order in Council under section 22 of the *Capital Investment Plan Act***

Attached for the Minister's review and consideration is a submission for an Order in Council ("OIC") under section 22 of the *Capital Investment Plan Act* ("CIPA") for the purpose of authorizing the Minister of Finance to make loan(s) to the Ontario Financing Authority ("OFA"). The proceeds from these loans would allow the OFA to lend to the Independent Electricity Systems Operator ("IESO") in connection with the implementation of the Province's *Ontario Fair Hydro Plan Act, 2017*, subject to the approval of the Legislature.

IESO has requested that the OFA provide a revolving credit facility of up to $2.0 billion to support its role in the implementation of the *Ontario Fair Hydro Plan Act, 2017*.

Under the *Ontario Fair Hydro Plan Act, 2017,* the IESO will incur a monthly funding shortfall in the early years of the plan, as a portion of the Global Adjustment charge to ratepayers will be deferred to the future. Global Adjustment amounts initially collected will, therefore, be insufficient to fund the IESO's contractual obligations to electricity producers and service providers. The *Ontario Fair Hydro Plan Act, 2017* allows the IESO the right to recover those deferred amounts from specified consumers in the future (the "regulatory asset") and the ability to sell that asset. It is anticipated that the regulatory asset would be purchased by the financing entity to be established by OPG ("OPG SPV"), an OPG special purpose vehicle or trust. The cash received would be used by the IESO to fund the current Global Adjustment shortfall.

../2

There is expected to be initial and potential ongoing IESO cash flow requirement timing differences. The OPG SPV is not anticipated to be established and able to borrow to finance the purchase of the regulatory asset from the IESO until later in 2017. Even once the SPV is set up to borrow, there may be timing differences between the IESO's monthly settlement process when it has to pay generators and when the SPV purchases the asset from IESO. Also, under the proposed legislation, OPG's SPV is not required to purchase any portion of the regulatory asset.

As a result, IESO requires short-term financing to be in place for initial and potential monthly timing differences, or in the event that the OPG SPV, at any time, does not purchase a portion of the regulatory asset.

The OFA obtains the funding it needs to carry out its lending programs by borrowing from the Province. This proposed OIC authorizes the Minister of Finance to lend up to an additional Canadian $2.0 billion to the OFA. In addition, in order for the OFA to provide the IESO its requested credit facility, a direction from the Minister of Finance to the OFA under CIPA will also be required.

Attached for your signature is a memorandum from you to the Minister requesting that the Minister recommend the OIC. This OIC is on track to be considered at LRC on June 27, 2017 together with proposed Ministry of Energy submission for regulations related to the *Ontario Fair Hydro Plan Act, 2017.*

Staff are available to address any questions you may have regarding this matter.

Gadi Mayman

Attachment

c. Ronald Kwan, ADM, Corporate and Electricity Finance Division
John Kim, Director, Electricity Finance Branch, Ontario Financing Authority

Ministry of Finance
Office of the
Deputy Minister

Frost Building South
7 Queen's Park Cr
Toronto ON M7A 1Y7
Tel (416) 325-1590
Fax (416) 325-1595

Ministère des Finances
Bureau du
sous-ministre

Édifice Frost sud
7 Queen's Park Cr
Toronto ON M7A 1Y7
Tél (416) 325-1590
Téléc (416) 325-1595

Ontario

MEMORANDUM TO: The Honourable Charles Sousa
Minister of Finance

FROM: Scott Thompson
Deputy Minister of Finance

SUBJECT: **Approval of an Order in Council under section 22 of the *Capital Investment Plan Act***

Attached for your approval and signature is a submission for an Order in Council ("OIC") under section 22 of the *Capital Investment Plan Act* ("CIPA") for the purpose of authorizing the Minister of Finance to make loan(s) to the Ontario Financing Authority ("OFA"). The proceeds from these loans would allow the OFA to lend to the Independent Electricity Systems Operator ("IESO") in connection with the implementation of the Province's *Ontario Fair Hydro Plan Act, 2017.*

IESO has requested that the OFA provide a revolving credit facility of up to $2.0 billion to support its role in the implementation of the *Ontario Fair Hydro Plan Act, 2017*.

Under the *Ontario Fair Hydro Plan Act, 2017,* the IESO will incur a monthly funding shortfall in the early years of the plan, as a portion of the Global Adjustment charge to ratepayers will be deferred to the future. Global Adjustment amounts initially collected will, therefore, be insufficient to fund the IESO's contractual obligations to electricity producers and service providers. The *Ontario Fair Hydro Plan Act, 2017* allows the IESO the right to recover those deferred amounts from specified consumers in the future (the "regulatory asset") and the ability to sell that asset. It is anticipated that the regulatory asset would be purchased by the financing entity to be established by OPG ("OPG SPV"), an OPG special purpose vehicle or trust. The cash received would be used by the IESO to fund the current Global Adjustment shortfall.

../2

There is expected to be initial and potential ongoing IESO cash flow requirement timing differences. The OPG SPV is not anticipated to be established and able to borrow to finance the purchase of the regulatory asset from the IESO until later in 2017. Even once the SPV is set up to borrow, there may be timing differences between the IESO's monthly settlement process when it has to pay generators and when the SPV purchases the asset from IESO. Also, under the legislation, OPG's SPV is not required to purchase any portion of the regulatory asset.

As a result, IESO requires short-term financing to be in place for initial and potential monthly timing differences, or in the event that the OPG SPV, at any time, does not purchase a portion of the regulatory asset

The OFA obtains the funding it needs to carry out its lending programs by borrowing from the Province. This proposed OIC authorizes the Minister of Finance to lend up to an additional Canadian $2.0 billion to the OFA. In addition, in order for the OFA to provide the IESO its requested credit facility, a direction from the Minister of Finance to the OFA under CIPA will also be required.

Staff of the Ontario Financing Authority are available to address any questions you may have regarding this matter.

Scott Thompson

Attachment

c. Gadi Mayman, CEO, Ontario Financing Authority
Ronald Kwan, ADM, Ontario Financing Authority

Authority Verified/Compétence vérifiée: _____

Please print name/Nom en lettres moulées s.v.p.: _____

Telephone/Téléphone: _____

Recommended by the Treasury Board/Management Board of Cabinet on:
Recommandé par le Conseil du Trésor / Conseil de gestion du gouvernement le: _____

Secretary/Secrétaire: _____

Executive Council of Ontario/Conseil exécutif de l'Ontario **[Bilingual]**

[Bilingue]

Ontario

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

Sur la recommandation de la personne soussignée, la lieutenante-gouverneure de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

WHEREAS pursuant to subsection 22(1) of the *Capital Investment Plan Act, 1993* (the "Act"), the Minister of Finance may purchase securities of or make loans to corporations established under subsection 2(1) of the Act in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council considers expedient;

AND WHEREAS the Ontario Financing Authority (the "OFA") is a corporation established under subsection 2(1) of the Act;

AND WHEREAS pursuant to subsection 6(3) of the Act, the power of a corporation established under subsection 2(1) of the Act to borrow and issue securities, among other things, may only be exercised under the authority of a by-law that has been approved by the Minister of Finance;

AND WHEREAS the OFA wishes to borrow up to Two Billion Dollars in lawful money of Canada from the Minister of Finance and has been authorized to do so by a borrowing by-law approved in accordance with the Act;

THEREFORE:

Pursuant to subsection 22 (1) of the Act, the Minister of Finance is authorized to lend a maximum of Two Billion Dollars in lawful money of Canada to the OFA on the following terms and conditions:

(a) the loan may be advanced in such amounts and at such time or times as required by the OFA;

(b) repayment of advances made under the loan plus accrued interest may be made in whole or in part at any time provided that the loan plus any accrued interest shall be fully repaid by [December 31, 2047];

(c) each advance (an “Advance”) made under the loan hereby authorized shall bear interest at a rate which is determined as follows:

(i) from the date of the Advance to (but excluding) the date of repayment the Advance shall bear interest at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the “Reset Date”) to the yield earned on ninety day Province of Ontario treasury bills immediately preceding the Reset Date for such ninety day period as determined by the Province;

(ii) in the event that moneys included in an Advance are used by the OFA for the purpose of funding loans to third parties (a “Third Party Loan”), the rate of interest payable by the OFA to the Province on the portion of the Advance so used shall be adjusted effective as of the date that the portion of the Advance is used to fund the Third Party Loan so that the per annum rate of interest payable by the OFA on such moneys is equivalent to the per annum rate of interest payable to the OFA under the Third Party Loan less an amount as may be determined by the Minister of Finance in respect of such Third Party Loan or a class of such Third Party Loans, until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently used to fund loans to third parties, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Province on that portion of the Advance used to fund such loan, and so on, until the Advance shall be repaid to the Province in full;

(iv) despite subparagraphs (ii) and (iii), in the event that no interest is payable to the OFA under a Third Party Loan, no interest shall be payable by the OFA on the portion of the Advance so used and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period.

(d) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(e) despite paragraph (b) of this Order, interest on any portion of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the OFA receives payment of interest under the relevant Third Party Loan;

(f) despite paragraph (b) of this Order, any portion of the principal of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall become payable only to the extent the OFA receives repayment of principal under the relevant Third Party Loan; and

(g) the loan hereby authorized shall be evidenced by a promissory note.

_____

ATTENDU QUE le ministre des Finances peut, en vertu du paragraphe 22 (1) de la *Loi de 1993 sur le plan d'investissement* (la « Loi »), acheter des valeurs mobilières des personnes morales créées en vertu du paragraphe 2 (1) de la Loi ou leur consentir des prêts selon les montants, aux moments et aux conditions que le lieutenant-gouverneur en conseil estime opportuns;

ATTENDU QUE l'Office ontarien de financement (l'« OOF ») est une personne morale créée en vertu du paragraphe 2 (1) de la Loi;

ATTENDU QUE, conformément au paragraphe 6 (3) de la Loi, le pouvoir qu'ont les personnes morales créées en vertu du paragraphe 2 (1) de la Loi de contracter des emprunts et d'émettre des valeurs mobilières, entre autres, ne peut être exercé qu'aux termes d'un règlement administratif approuvé par le ministre des Finances;

ATTENDU QUE l'OOF souhaite emprunter jusqu'à concurrence de deux milliards de dollars en monnaie légale du Canada du ministre des Finances et qu'il a été autorisé à le faire par un règlement administratif d'emprunt approuvé conformément à la Loi;

PAR CONSÉQUENT :

en vertu du paragraphe 22 (1) de la Loi, le ministre des Finances est autorisé à prêter un montant maximal de deux milliards de dollars en monnaie légale du Canada à l'OOF, aux conditions suivantes :

a) le prêt peut être consenti selon les montants et aux moments qui conviennent à l'OOF;

b) le remboursement des avances consenties au titre du prêt, plus les intérêts courus, peut à tout moment être effectué en totalité ou en partie, pourvu que le prêt et les intérêts courus soient entièrement remboursés au plus tard le 31 décembre 2047;

c) chaque avance (« avance ») faite au titre du prêt autorisé par les présentes portera intérêt au taux est fixé comme suit :

(i) de la date où elle a été faite jusqu'à la date (non comprise) de son remboursement, l'avance portera intérêt à un taux annuel équivalant au rendement gagné sur des bons du Trésor de la province de l'Ontario de quatre-vingt-dix jours à la date précédant la date de l'avance fixée par la province, pourvu que ce taux d'intérêt soit rajusté le dernier jour de chaque période de quatre-vingt-dix jours (« date de rajustement ») selon le rendement gagné sur de tels bons du Trésor immédiatement avant la date de rajustement pour une période de quatre-vingt-dix jours décidée par la province, si l'avance est impayée pendant plus de quatre-vingt-dix jours;

(ii) dans l'éventualité où l'OOF se servirait de sommes comprises dans une avance pour financer des prêts à des tiers, le taux d'intérêt à payer par l'OOF à la province sur la partie de l'avance ainsi utilisée sera rajusté à la date à laquelle la partie de l'avance sera utilisée pour le financement du prêt à un tiers de façon que le taux d'intérêt annuel à payer par l'OOF sur de telles sommes soit équivalent à ce

dernier taux moins un montant que pourra fixer le ministre des Finances à l'égard d'un tel prêt ou d'une telle catégorie de prêt, jusqu'à la date (non comprise) à laquelle le prêt à un tiers sera remboursé, date à laquelle le taux d'intérêt établi au sous-alinéa (i) s'appliquera de nouveau à cette partie de l'avance;

(iii) dans l'éventualité où les sommes décrites au sous-alinéa (ii), une fois remboursées, seraient ultérieurement utilisées pour le financement de prêts à des tiers, le sous-alinéa (ii) s'appliquera de nouveau dans l'établissement du taux d'intérêt à payer à la province sur la partie de l'avance utilisée à cette fin, et ainsi de suite, jusqu'à ce que l'avance ait été remboursée intégralement à la province;

(iv) malgré les sous-alinéas (ii) et (iii), dans l'éventualité où aucun intérêt ne serait payable à l'OOF au titre d'un prêt à un tiers, aucun intérêt ne sera à payer par l'OOF sur la partie de l'avance ainsi utilisée et dans la mesure où les conditions du prêt à un tiers prévoient le report du paiement d'intérêts courus pour une période, le paiement d'intérêts au titre d'une avance ou d'une partie d'une avance sera également reporté pour une période d'égale durée;

d) l'intérêt payable relativement à toute période de moins d'un an sera calculé en fonction du nombre de jours réellement compris dans cette période, par rapport à une année comptant 365 jours;

e) par dérogation à l'alinéa a) ci-dessus, l'intérêt sur toute partie d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers est calculé comme il est indiqué ci-dessus, mais cet intérêt devient payable uniquement dans la mesure où l'OOF reçoit un paiement d'intérêts au titre du prêt à un tiers;

f) par dérogation à l'alinéa b) ci-dessus, toute partie du capital d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers devient payable uniquement dans la mesure où l'OOF reçoit un remboursement du capital au titre du prêt à un tiers

g) le prêt autorisé en vertu des présentes sera attesté par un billet à ordre.

_____

Recommended: Minister of Finance
Recommandé par : Le ministre des Finances

_____

Concurred: Chair of Cabinet
Appuyé par : Le président/la présidente du Conseil des ministres

Approved and Ordered:
Approuvé et décrété le :

_____

Lieutenant Governor
La lieutenante-gouverneure

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	FW: Promissory note between Province of Ontario and OFA for $475M
Date:	Thursday, November 02, 2017 4:23:21 PM
Attachments:	675.1997.pdf 844.2008.pdf

Hi Lisa,

The original is from 1997 and amended in 2008. I hope this is helpful.

Thanks,

Will

From: Lisa Stein
Sent: Thursday, November 02, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Promissory note between Province of Ontario and OFA for $475M

Hi Will,

For ease of reference can you please send me the relevant OIC?

Thank you,

Lisa

From: William Tan
Sent: Thursday, November 02, 2017 3:43 PM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Promissory note between Province of Ontario and OFA for $475M

Hello Toby and Lisa,

Please review and comment on the promissory note between the Province of Ontario and the OFA for the new reduced amount of $475M. I've included the previously approved $2B FHP promissory note for comparison purposes.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400

Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged and confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message including any attachments, without reading it or making a copy. Thank you

OFA loan

Ontario

Executive Council
Conseil exécutif

O.C./Décret 675/97

I hereby certify that the attached is a true copy of an Order made on April 2nd, 1997, by Her Honour the Honourable Hilary M. Weston, Lieutenant Governor of the Province of Ontario in Council.

Deputy Clerk, Executive Council of Ontario

Dated at Toronto,
April 3rd, 1997

Ontario
Executive Council
Conseil des ministres

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and concurrence of the Executive Council, orders that:

Sur la recommandation du soussigné, le lieutenant-gouverneur, sur l'avis et avec le consentement du Conseil des ministres, décrète ce qui suit :

WHEREAS pursuant to subsection 22(1) of the *Capital Investment Plan Act, 1993* (the "Act"), the Minister of Finance may purchase securities of or make loans to corporations established under subsection 2(1) of the Act in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council considers expedient;

AND WHEREAS the Ontario Financing Authority (the "OFA") is a corporation established under subsection 2(1) of the Act;

AND WHEREAS pursuant to subsection 6(3) of the Act, the power of a corporation to borrow and issue securities, among other things, may only be exercised under the authority of a by-law that has been approved by the Minister of Finance;

AND WHEREAS the OFA wishes to borrow Two Billion One Hundred and Sixty Million Dollars from the Minister of Finance and has been authorized to do so by a borrowing by-law approved in accordance with the Act;

THEREFORE:

Pursuant to subsection 22 (1) of the Act, the Minister of Finance is authorized to lend a maximum of Two Billion One Hundred and Sixty Million Dollars in lawful money of Canada to the OFA on the following terms and conditions:

(a) the loan may be advanced in such amounts and at such time or times as required by the OFA;

(b) repayment of advances made under the loan plus accrued interest may be made in whole or in part at any time provided that the loan plus accrued interest shall be fully repaid by August 31, 2027;

(c) the OFA shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Two Billion One Hundred and Sixty Million Dollars;

(d) each advance (an "Advance") made under the loan hereby authorized shall bear interest at a rate which is determined as follows:

(i) from the date of advance to (but excluding) the date of repayment the Advance shall bear interest at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills (determined as at the auction date immediately preceding the date of the Advance), provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills as at the auction date immediately preceding the Reset Date for such ninety day period;

(ii) in the event that moneys included in an Advance are subsequently loaned by the OFA to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the OFA to the Province on the portion of the Advance so loaned may be adjusted at the option of the OFA effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the OFA on such moneys is equivalent to either:

(A) the per annum rate of interest payable to the OFA under the Third Party Loan, or

(B) the per annum rate of interest payable to the OFA under the Third Party Loan less 25 basis points,

until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Province on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full;

(e) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(f) the loan hereby authorized shall be evidenced by a promissory note in a form acceptable to the Minister of Finance.

Recommended
Minister of Finance

Concurred
Chair of Cabinet

Approved and Ordered
APR - 2 1997
Date

Lieutenant Governor

Promissory Note

For value received, the Ontario Financing Authority (the "Borrower") promises to pay to Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, Province of Ontario (the "Lender") at the City of Toronto in lawful money of Canada, the lesser of;

(i) Two Billion One Hundred and Sixty Million Dollars; and
(ii) the aggregate unpaid principal balance of all advances made by the Lender as recorded on the reverse of this note or on any attachment described below;

at such time and on such other terms and conditions including the payment of interest as follows;

(a) the Borrower shall be entitled to advances of the loan (an "Advance") in such amounts and at such times as it requires;

(b) the Borrower shall be entitled to repay Advances plus accrued interest either in whole or in part and at such time or times as it determines provided that all Advances plus accrued interest shall be fully repaid by August 31, 2027;

(c) the Borrower shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Two Billion One Hundred and Fifty-Five Million Dollars;

(d) the Borrower shall pay to the Lender interest on each Advance at a rate which is determined as follows:

(i) from the date of advance to (but excluding) the date of repayment the Borrower shall pay to the Lender interest on the Advance at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills (determined as at the auction date immediately preceding the date of the Advance), provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills as at the auction date immediately preceding the Reset Date for such ninety day period;

(ii) in the event that moneys included in an Advance are subsequently loaned by the Borrower to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the Borrower to the Lender on the portion of the Advance so loaned may be adjusted at the option of the Borrower effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the Borrower on such moneys is equivalent to either

(A) the per annum rate of interest payable to the Borrower under the Third Party Loan, or

(B) the per annum rate of interest payable to the Borrower under the Third Party Loan less 25 basis points,

rather than the rate specified in subparagraph (i), until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance;

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Lender on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full; and

(e) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year.

The undersigned authorizes the Lender to record on the reverse of this note or on any attachment to this note all advances, repayments and prepayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the Lender on this note or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the Lender to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount of the Advances and interest.

Dated this day of , 1997.

Ontario Financing Authority

per:_____
Executive Director

ADVANCES OF PRINCIPAL

TKT #	DOC #	TRADE DATE	INT RESET DATE	# DAYS	INT. REF: T-Bill or OFA Loan or OFA Loan less 25 bps	INT RATE	ADVANCE	ACCRUED INT.	TOTAL ADVANCES

Ontario
Executive Council
Conseil exécutif

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and concurrence of the Executive Council, orders that:

Sur la recommandation de la personne soussignée, le lieutenant-gouverneur, sur l'avis et avec le consentement du Conseil exécutif, décrète ce qui suit :

WHEREAS pursuant to Order in Council 675/97 made under subsection 22(1) of the *Capital Investment Plan Act, 1993*, the Minister of Finance is authorized to lend Two Billion One Hundred and Sixty Million Dollars in lawful money of Canada to the Ontario Financing Authority (the "OFA");

AND WHEREAS pursuant to Order in Council 767/99 made under subsection 22(1) of the *Capital Investment Plan Act, 1993*, the Minister of Finance is authorized to lend Six Hundred and Fifty-six Million Dollars in lawful money of Canada to the OFA;

AND WHEREAS pursuant to Order in Council 1883/2006 made under subsection 22(1) of the *Capital Investment Plan Act, 1993*, the Minister of Finance is authorized to lend Eight Hundred Million Dollars in lawful money of Canada to the OFA;

AND WHEREAS pursuant to Order in Council 2144/2007 made under subsection 22(1) of the *Capital Investment Plan Act, 1993*, the Minister of Finance is authorized to lend Two Billion Dollars in lawful money of Canada to the OFA;

AND WHEREAS the Province considers it expedient to amend Order in Council 675/97, Order in Council 767/99, Order in Council 1883/2006 and Order in Council 2144/2007 to allow for loans from the Minister of Finance to the OFA which shall be fully repaid by the OFA by June 1, 2041 and to allow the OFA to retain up to 40 basis points on advances made by the Minister of Finance to the OFA where the OFA subsequently loans those moneys to public bodies;

THEREFORE:

1. Order in Council 675/97, as amended by Order in Council 1709/98, is hereby amended by:

(i) deleting "August 31, 2027" in paragraph (b) thereof and replacing said date with June 1, 2041;

(ii) deleting subparagraph (d)(i) and replacing said subparagraph with the following subparagraph:

"from the date of Advance to (but excluding) the date of repayment, the Advance shall bear interest at a per annum rate equivalent to the yield on ninety day Province of Ontario treasury bills on the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield on ninety day Province of Ontario treasury bills on the Reset Date as determined by the Province."

(ii) deleting subsubparagraph (d)(ii)(B) and replacing said subsubparagraph with the following subsubparagraph:

"(B) the per annum rate of interest payable to the OFA under the Third Party Loan less an amount not exceeding 40 basis points, "

2. Order in Council 767/99, is hereby amended by:

(i) deleting "August 31, 2029" in paragraph (b) thereof and replacing said date with June 1, 2041;

(ii) deleting subparagraph (d)(i) and replacing said subparagraph with the following subparagraph:

"from the date of Advance to (but excluding) the date of repayment, the Advance shall bear interest at a per annum rate equivalent to the yield on ninety day Province of Ontario treasury bills on the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield on ninety day Province of Ontario treasury bills on the Reset Date as determined by the Province."

(iii) deleting subsubparagraph (d)(ii)(B) and replacing said subsubparagraph with the following subsubparagraph:

"(B) the per annum rate of interest payable to the OFA under the Third Party Loan less an amount not exceeding 40 basis points,"

3. Order in Council 1883/2006 is hereby amended by:

(i) deleting "November 1, 2032" in paragraph (b) thereof and replacing said date with June 1, 2041;

(ii) deleting subparagraph (c)(i) and replacing said subparagraph with the following subparagraph:

> "from the date of Advance to (but excluding) the date of repayment, the Advance shall bear interest at a per annum rate equivalent to the yield on ninety day Province of Ontario treasury bills on the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield on ninety day Province of Ontario treasury bills on the Reset Date as determined by the Province."

(iii) deleting subsubparagraph (c)(ii)(B) and replacing said subsubparagraph with the following subsubparagraph:

> "(B) the per annum rate of interest payable to the OFA under the Third Party Loan less an amount not exceeding 40 basis points,
>
> until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and"

4. Order in Council 2144/2007 is hereby amended by:

(i) deleting "December 1, 2037" in paragraph (b) thereof and replacing said date with June 1, 2041;

(ii) deleting subparagraph (c)(i) and replacing said subparagraph with the following subparagraph:

> "from the date of Advance to (but excluding) the date of repayment, the Advance shall bear interest at a per annum rate equivalent to the yield on ninety day Province of Ontario treasury bills on the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield on ninety day Province of Ontario treasury bills on the Reset Date as determined by the Province."

(ii) deleting subsubparagraph (c)(ii)(B) and replacing said subsubparagraph with the following subsubparagraph:

> "(B) the per annum rate of interest payable to the OFA under the Third Party Loan less an amount not exceeding 40 basis points,

until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and"

5. The forms of promissory note which evidence the loans pursuant to Order in Council 675/97, Order in Council 767/99, Order in Council 1883/2006 and Order in Council 2144/2007 are hereby amended to reflect the above changes to the Orders in Council in respect of all amounts advanced to the OFA on or after the date of this Order.

Recommended _____ Minister of Finance

Concurred _____ Chair of Cabinet

Approved and Ordered JUN 0 4 2008 Date

_____ Lieutenant Governor

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	FW: Promissory note between Province of Ontario and OFA for $475M
Date:	Thursday, November 02, 2017 4:23:21 PM
Attachments:	675.1997.pdf 844.2008.pdf

Hi Lisa,

The original is from 1997 and amended in 2008. I hope this is helpful.

Thanks,

Will

From: Lisa Stein
Sent: Thursday, November 02, 2017 4:12 PM
To: William Tan
Cc: Sarah Harris
Subject: RE: Promissory note between Province of Ontario and OFA for $475M

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Thank you,

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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Promissory note between Province of Ontario and OFA for $475M

Hello Toby and Lisa,

Please review and comment on the promissory note between the Province of Ontario and the OFA for the new reduced amount of $475M. I've included the previously approved $2B FHP promissory note for comparison purposes.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
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william.tan@ofina.on.ca

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OFA loan

Ontario

Executive Council
Conseil exécutif

O.C./Décret 675/97

I hereby certify that the attached is a true copy of an Order made on April 2nd, 1997, by Her Honour the Honourable Hilary M. Weston, Lieutenant Governor of the Province of Ontario in Council.

Deputy Clerk, Executive Council of Ontario

Dated at Toronto,
April 3rd, 1997

Ontario
Executive Council
Conseil des ministres

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and concurrence of the Executive Council, orders that:

Sur la recommandation du soussigné, le lieutenant-gouverneur, sur l'avis et avec le consentement du Conseil des ministres, décrète ce qui suit :

WHEREAS pursuant to subsection 22(1) of the *Capital Investment Plan Act, 1993* (the "Act"), the Minister of Finance may purchase securities of or make loans to corporations established under subsection 2(1) of the Act in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council considers expedient;

AND WHEREAS the Ontario Financing Authority (the "OFA") is a corporation established under subsection 2(1) of the Act;

AND WHEREAS pursuant to subsection 6(3) of the Act, the power of a corporation to borrow and issue securities, among other things, may only be exercised under the authority of a by-law that has been approved by the Minister of Finance;

AND WHEREAS the OFA wishes to borrow Two Billion One Hundred and Sixty Million Dollars from the Minister of Finance and has been authorized to do so by a borrowing by-law approved in accordance with the Act;

THEREFORE:

Pursuant to subsection 22 (1) of the Act, the Minister of Finance is authorized to lend a maximum of Two Billion One Hundred and Sixty Million Dollars in lawful money of Canada to the OFA on the following terms and conditions:

(a) the loan may be advanced in such amounts and at such time or times as required by the OFA;

(b) repayment of advances made under the loan plus accrued interest may be made in whole or in part at any time provided that the loan plus accrued interest shall be fully repaid by August 31, 2027;

(c) the OFA shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Two Billion One Hundred and Sixty Million Dollars;

(d) each advance (an "Advance") made under the loan hereby authorized shall bear interest at a rate which is determined as follows:

(i) from the date of advance to (but excluding) the date of repayment the Advance shall bear interest at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills (determined as at the auction date immediately preceding the date of the Advance), provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills as at the auction date immediately preceding the Reset Date for such ninety day period;

(ii) in the event that moneys included in an Advance are subsequently loaned by the OFA to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the OFA to the Province on the portion of the Advance so loaned may be adjusted at the option of the OFA effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the OFA on such moneys is equivalent to either:

(A) the per annum rate of interest payable to the OFA under the Third Party Loan, or

(B) the per annum rate of interest payable to the OFA under the Third Party Loan less 25 basis points,

until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Province on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full;

(e) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(f) the loan hereby authorized shall be evidenced by a promissory note in a form acceptable to the Minister of Finance.

Recommended
Minister of Finance

Concurred
Chair of Cabinet

Approved and Ordered
APR - 2 1997
Date

Lieutenant Governor

Promissory Note

For value received, the Ontario Financing Authority (the "Borrower") promises to pay to Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, Province of Ontario (the "Lender") at the City of Toronto in lawful money of Canada, the lesser of;

(i) Two Billion One Hundred and Sixty Million Dollars; and
(ii) the aggregate unpaid principal balance of all advances made by the Lender as recorded on the reverse of this note or on any attachment described below;

at such time and on such other terms and conditions including the payment of interest as follows;

(a) the Borrower shall be entitled to advances of the loan (an "Advance") in such amounts and at such times as it requires;

(b) the Borrower shall be entitled to repay Advances plus accrued interest either in whole or in part and at such time or times as it determines provided that all Advances plus accrued interest shall be fully repaid by August 31, 2027;

(c) the Borrower shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Two Billion One Hundred and Fifty-Five Million Dollars;

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(A) the per annum rate of interest payable to the Borrower under the Third Party Loan, or

(B) the per annum rate of interest payable to the Borrower under the Third Party Loan less 25 basis points,

rather than the rate specified in subparagraph (i), until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance;

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Lender on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full; and

(e) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year.

The undersigned authorizes the Lender to record on the reverse of this note or on any attachment to this note all advances, repayments and prepayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the Lender on this note or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the Lender to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount of the Advances and interest.

Dated this day of , 1997.

Ontario Financing Authority

per:_____
Executive Director

ADVANCES OF PRINCIPAL

TKT #	DOC #	TRADE DATE	INT RESET DATE	# DAYS	INT. REF: T-Bill or OFA Loan or OFA Loan less 25 bps	INT RATE	ADVANCE	ACCRUED INT.	TOTAL ADVANCES

Ontario
Executive Council
Conseil exécutif

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and concurrence of the Executive Council, orders that:

Sur la recommandation de la personne soussignée, le lieutenant-gouverneur, sur l'avis et avec le consentement du Conseil exécutif, décrète ce qui suit :

WHEREAS pursuant to Order in Council 675/97 made under subsection 22(1) of the *Capital Investment Plan Act, 1993*, the Minister of Finance is authorized to lend Two Billion One Hundred and Sixty Million Dollars in lawful money of Canada to the Ontario Financing Authority (the "OFA");

AND WHEREAS pursuant to Order in Council 767/99 made under subsection 22(1) of the *Capital Investment Plan Act, 1993*, the Minister of Finance is authorized to lend Six Hundred and Fifty-six Million Dollars in lawful money of Canada to the OFA;

AND WHEREAS pursuant to Order in Council 1883/2006 made under subsection 22(1) of the *Capital Investment Plan Act, 1993*, the Minister of Finance is authorized to lend Eight Hundred Million Dollars in lawful money of Canada to the OFA;

AND WHEREAS pursuant to Order in Council 2144/2007 made under subsection 22(1) of the *Capital Investment Plan Act, 1993*, the Minister of Finance is authorized to lend Two Billion Dollars in lawful money of Canada to the OFA;

AND WHEREAS the Province considers it expedient to amend Order in Council 675/97, Order in Council 767/99, Order in Council 1883/2006 and Order in Council 2144/2007 to allow for loans from the Minister of Finance to the OFA which shall be fully repaid by the OFA by June 1, 2041 and to allow the OFA to retain up to 40 basis points on advances made by the Minister of Finance to the OFA where the OFA subsequently loans those moneys to public bodies;

THEREFORE:

1. Order in Council 675/97, as amended by Order in Council 1709/98, is hereby amended by:

(i) deleting "August 31, 2027" in paragraph (b) thereof and replacing said date with June 1, 2041;

(ii) deleting subparagraph (d)(i) and replacing said subparagraph with the following subparagraph:

"from the date of Advance to (but excluding) the date of repayment, the Advance shall bear interest at a per annum rate equivalent to the yield on ninety day Province of Ontario treasury bills on the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield on ninety day Province of Ontario treasury bills on the Reset Date as determined by the Province."

(ii) deleting subsubparagraph (d)(ii)(B) and replacing said subsubparagraph with the following subsubparagraph:

"(B) the per annum rate of interest payable to the OFA under the Third Party Loan less an amount not exceeding 40 basis points, "

2. Order in Council 767/99, is hereby amended by:

(i) deleting "August 31, 2029" in paragraph (b) thereof and replacing said date with June 1, 2041;

(ii) deleting subparagraph (d)(i) and replacing said subparagraph with the following subparagraph:

"from the date of Advance to (but excluding) the date of repayment, the Advance shall bear interest at a per annum rate equivalent to the yield on ninety day Province of Ontario treasury bills on the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield on ninety day Province of Ontario treasury bills on the Reset Date as determined by the Province."

(iii) deleting subsubparagraph (d)(ii)(B) and replacing said subsubparagraph with the following subsubparagraph:

"(B) the per annum rate of interest payable to the OFA under the Third Party Loan less an amount not exceeding 40 basis points,"

3. Order in Council 1883/2006 is hereby amended by:

(i) deleting "November 1, 2032" in paragraph (b) thereof and replacing said date with June 1, 2041;

(ii) deleting subparagraph (c)(i) and replacing said subparagraph with the following subparagraph:

> "from the date of Advance to (but excluding) the date of repayment, the Advance shall bear interest at a per annum rate equivalent to the yield on ninety day Province of Ontario treasury bills on the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield on ninety day Province of Ontario treasury bills on the Reset Date as determined by the Province."

(iii) deleting subsubparagraph (c)(ii)(B) and replacing said subsubparagraph with the following subsubparagraph:

> "(B) the per annum rate of interest payable to the OFA under the Third Party Loan less an amount not exceeding 40 basis points,
>
> until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and"

4. Order in Council 2144/2007 is hereby amended by:

(i) deleting "December 1, 2037" in paragraph (b) thereof and replacing said date with June 1, 2041;

(ii) deleting subparagraph (c)(i) and replacing said subparagraph with the following subparagraph:

> "from the date of Advance to (but excluding) the date of repayment, the Advance shall bear interest at a per annum rate equivalent to the yield on ninety day Province of Ontario treasury bills on the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield on ninety day Province of Ontario treasury bills on the Reset Date as determined by the Province."

(ii) deleting subsubparagraph (c)(ii)(B) and replacing said subsubparagraph with the following subsubparagraph:

> "(B) the per annum rate of interest payable to the OFA under the Third Party Loan less an amount not exceeding 40 basis points,

until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and"

5. The forms of promissory note which evidence the loans pursuant to Order in Council 675/97, Order in Council 767/99, Order in Council 1883/2006 and Order in Council 2144/2007 are hereby amended to reflect the above changes to the Orders in Council in respect of all amounts advanced to the OFA on or after the date of this Order.

Recommended _____ Minister of Finance

Concurred _____ Chair of Cabinet

Approved and Ordered JUN 0 4 2008 Date

_____ Lieutenant Governor

From: Sarah Harris
To: Jean-Francois Beaupre
Subject: FW: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
Date: Thursday, November 02, 2017 10:45:07 AM
Attachments: 23239360-v8-CLPA - Protection Agreement.docx
23239361-v6-CLPA - Process Agreement.docx

FYI in case anyone is looking for me.
Sarah.

From: Sarah Harris
Sent: Thursday, November 02, 2017 10:45 AM
To: Opal Kandelas
Subject: FW: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Hi Opal,
I'm going to be tied up between 12 and 3 on the FHP meeting. Docs are attached.
Sarah

From: Sarah Harris
Sent: Thursday, November 02, 2017 10:43 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: RE: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Thanks, Malle. I will try to attend most of it. I'm tied up with finalizing the IESO Fair Hydro Plan Agreements for execution tomorrow, and we're trying to organize a call today with IESO today. I may need to drop in and out.
Sarah

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Thursday, November 02, 2017 10:39 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: FW: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Hi Sarah, Meeting today from 12 to 3 to review this. Think it would be good if you can attend. Thanks.

From: Whitfield, Tobias P. (MOF)
Sent: November 2, 2017 9:41 AM
To: Strathy, Anna (OFA); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: RE: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Please find attached preliminary drafts of the Protection Agreement and the Process Agreement for discussion at our meeting this afternoon.
Note that these drafts contain a number of issues that are still under consideration and up for discussion.
Best
Toby
Tobias Whitfield

Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456
-----Original Appointment-----
From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: November 2, 2017 8:31 AM
To: Anna Strathy; Whitfield, Tobias P. (MOF); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
When: November 2, 2017 12:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Executive Boardroom, 14th Floor, 1 Dundas OR Teleconference 1-866-602-5461 or 416-212-8011 | Conference ID: 4717656

Nov 2: Rescheduled from 10:00am to 12:00pm

MOF Legal is expecting a second draft between 9 and 10am today. The later meeting time will allow time to review prior to discussing.

Lunch will be provided

Toll-free dial-in number: 1-866-602-5461

Local dial-in number: 416-212-8011

Conference ID: 4717656

OFA to Moderate

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

AND

[FINANCING ENTITY TRUSTEE] IN ITS CAPACITY AS TRUSTEE OF THE [FINANCING ENTITY]

AND

ONTARIO POWER GENERATION INC., AS FINANCIAL SERVICES MANAGER

AND

[NAME OF INDENTURE TRUSTEE], AS INDENTURE TRUSTEE

CHANGE OF LAW PROTECTION AGREEMENT

Dated as of [■], 2017

This **AGREEMENT**, among Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and the Minister of Finance (the "**Province**"), **[FINANCING ENTITY TRUSTEE]**, as the Financing Entity Trustee and in its capacity as trustee of the **[FINANCING ENTITY]**, a trust settled by the FSM under the laws of the Province of Ontario (the "**Financing Entity**"), Ontario Power Generation Inc. in its capacity as the Financial Services Manager in accordance with the Act (the "**FSM**") and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada, as Indenture Trustee and in its capacity as trustee for the in accordance with the Trust Indenture, is made and entered into as of [■], 2017.

RECITALS

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

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

Pursuant to a Declaration of Trust dated as of ■, 2017, the FSM [established] the Financing Entity as a "financing entity"[1] (as defined in the Act) for the purposes contemplated in the Act.

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

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

OPG and the Province will concurrently enter into the Process Agreement, under which OPG will agree to perform certain related activities and to provide certain assurances on which the Province will rely, including for the purposes of determining whether the Adherence

[1] Note to Draft: Consideration is being given by MOE to possible changes to the Regulation to accommodate the proposed use of a "trust", as a "financing entity".

Conditions have been satisfied in connection with the incurrence or amendment of an Approved Obligation and ensuring that the Province's assumption right may be exercised without impediment on the terms and conditions contemplated in this Agreement.

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

AGREEMENT OF THE PARTIES

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

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

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

(a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A;

(b) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;

(c) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;

(d) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;

(e) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;

(f) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

(g) all references in this Agreement to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits" and other subdivisions are to the designated Articles, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit or other subdivision;

(h) "including" and words of similar import will be deemed to be followed by "without limitation"; and

(i) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.02 Trustee to act in accordance with the Trust Indenture

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

1.03 Proof of Approved Obligations

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

Any statement of account prepared by the Indenture Trustee as regards the Primary Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due and payable by the Financing Entity to the Beneficiaries and/or the Indenture Trustee and the Province hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Indenture Trustee agrees to provide the Province with the computations and calculations used by the Indenture Trustee to prepare each such statement of account promptly following a request therefor.

1.04 Limitation on Rights of and Actions by Specified Creditors

Specified Creditors, as Beneficiaries, shall not have or be permitted to exercise any rights, interests, or elections under this Agreement, other than in the manner and to the extent effected and exercised through the Indenture Trustee under, in accordance with and subject to the limitations set forth in the Trust Indenture. No Specified Creditor will have any right to institute any proceeding, judicial or otherwise, with respect to this Agreement.

1.05 Province Retains Rights of Beneficiaries

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

1.06 Effect of Headings

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

1.07 Successors and Assigns

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

1.08 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.09 Governing Law

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

1.10 Proceedings Against the Crown Act

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

1.11 Attornment

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

1.12 Counterparts; Electronic Delivery

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

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

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

1.14 Non-Business Days

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

1.15 Waiver, Amendment

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

1.16 Interest Act

For the purpose of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest to which any rate of interest payable under this Agreement that is calculated on any basis other than a full calendar year is equivalent may be determined by multiplying such rate by a fraction, the numerator of which is the actual number of days in the calendar year in which such

yearly rate of interest is to be ascertained and the denominator of which is the number of days comprising such other basis. The parties further agree that for the purposes of the *Interest Act* (Canada), (a) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement, and (b) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

1.17 Currency

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

1.18 References to Acts of the Financing Entity Trustee

For greater certainty, where any reference is made in this Agreement, or in any other instrument executed pursuant hereto or contemplated hereby to which the Financing Entity or the Financing Entity Trustee, as trustee of the Financing Entity, is party, to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to (i) the Financing Entity or (ii) the Financing Entity Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to, the Financing Entity Trustee as trustee of the Financing Entity.

1.19 Judgment Currency

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

(b) The term "rate of exchange" in this Section 1.18 means the spot rate at which the Indenture Trustee, in accordance with normal practice, is able on the relevant date to purchase the Original Currency with the Second Currency and includes any premium and costs of exchange payable in connection with such purchase.

ARTICLE II
AGREEMENT TO PERFORM APPROVED OBLIGATIONS

2.01 Limited Guarantee

(a) Upon the occurrence of a Protection Event, the Indenture Trustee may provide a written demand, in the form attached as Exhibit A (a "**Payment Demand**") to the Province requiring the Province to pay the Approved Obligations owing from time to time by the Financing Entity to the Indenture Trustee as and when they become due and payable, without Acceleration. A Payment Demand will not be valid with respect to an Approved Obligation until the amount claimed becomes due and payable in respect of the Approved Obligation (without Acceleration) in accordance with the Trust Indenture and has not otherwise been paid by the Financing Entity.

(b) Following receipt of a valid Payment Demand under Subsection 2.01(a), the Province shall pay the amounts owing by the Financing Entity to the Indenture Trustee, on behalf of the applicable Beneficiaries, in respect of each Approved Obligation[2], in each case as and when the Approved Obligation becomes due and payable in accordance with its terms and on its scheduled, specified or determined payment date, as determined without regard to any Acceleration or rights of Acceleration arising under the Approved Obligation, in each case by the Province depositing or causing the deposit of the applicable payment amount into the Collection Account (the "**Limited Guarantee**"). For greater certainty, the Limited Guarantee will not apply to any amount or obligation of the Financing Entity that is not or does not arise under an Approved Obligation, including (i) any amounts that are or become payable as a result of the exercise of an option of the Financing Entity following a Protection Event, and [(ii) amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account, Finance Reserve Account or a Supplemental Reserve Account.][3]

[2] Note: Under Subsection 5(3) of the Act, the Province can guarantee only obligations "associated with an investment interest". The guarantee in Section 2.01 of the draft agreement guarantees "Approved Obligations" which in turn relies on the definition of Primary Obligations. The connection between a Primary Obligation and an "investment interest" is therefore crucial. Unfortunately, the nexus is not straightforward. Blakes is considering how to more precisely connect these concepts.

[3] Note: OFA to confirm whether the Limited Guarantee will extend to require the Province to fill sinking fund and collateral accounts during the period when the Province is required to make payments. If not, then we will need to consider the impact on ratepayers and the potential impact on the CEA calculations, which will have been based originally on these deposits being made during particular reference periods.

(c) Except as expressly provided in this Agreement, the Province's obligation to provide and perform the Limited Guarantee shall be irrevocable, absolute and unconditional.

(d) Any amount payable by the Province under the Limited Guarantee in respect of an Approved Obligation that is not paid when required herein shall bear interest from the applicable due date until paid in full at the rate or rates expressed to be payable on the Approved Obligation.

(e) The right to deliver a Payment Demand and thereupon enforce the Limited Guarantee shall constitute the only remedy available to the Indenture Trustee under this Agreement. Under no circumstances shall the Province be obligated to pay or indemnify the Indenture Trustee or any Beneficiary for consequential, special or punitive damages, or for economic loss or loss of profits.

2.02 Gross-up

[All amounts payable by the Province under this Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Province is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Province shall deposit into the Collection Account such additional amount as is necessary to ensure that the Indenture Trustee receives (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise due and payable in respect of the related Approved Obligation, net of any such taxes, charges, fees, levies, duties or withholdings.][4]

2.03 Absence of Set-off

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

2.04 Payment into Collection Account in Satisfaction

Notwithstanding the priority of payment requirements set forth in the Trust Indenture and any legal rule concerning the imputation of payments, the Indenture Trustee shall apply the full amount paid by the Province into the Collection Account in respect of an Approved Obligation to pay the corresponding amount due and payable to the applicable Beneficiaries under the Approved Obligation.[5] Upon a payment having been made by or on behalf of the Province into

[4] Province to advise on extension of a tax gross up. We assume this is necessary, although we have not discussed it specifically and it may be that we delete this provision on the basis that the determination of a tax gross up (and the Province's liability for it) will be based on the inclusion of that concept in the Trust Indenture itself.

[5] Note: This will need to operate in tandem with the Trust Indenture waterfall. The idea is that the Approved Obligations may not necessarily follow the sequence of the "payment waterfall" included in the Trust Indenture, and so amounts from the Province would need to operate independently. To be discussed with Torys.

the Collection Account in respect of an Approved Obligation, the amount so paid shall for all purposes be considered to have been applied to pay the applicable Beneficiaries and thereby reduce the amount due and payable under the Approved Obligation, whereupon an affected Beneficiary shall have no continuing rights, interests or entitlements (including rights as a secured party) in respect of the Approved Obligation to the extent so paid[6].

2.05 Certain Waivers

The Province hereby waives:

(a) any requirement, and any right to require, that any power be exercised or any action be taken against the Financing Entity or any Collateral for any of the Approved Obligations;

(b) all notices which may be required by applicable law to preserve any rights against the Province hereunder, including any notice of default, demand, dishonour, presentment and protest;

(c) diligence; and

(d) any defence based upon, arising out of or in any way related to any claim that any election of remedies by the Beneficiaries impaired, reduced, released or extinguished any rights that the Province might otherwise have had against the Financing Entity or any other surety.

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

2.06 Additional Security

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

2.07 Continuing Liability of the Province

The Approved Obligations shall be deemed not to have been paid, observed or performed, and the liability of the Province hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Financing Entity, or out of the proceeds of any Collateral, is recovered from or reimbursed by or for the account of any of the Beneficiaries for any reason, including a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the

[6] Note: Consider if Beneficiary rights under Obligations Secured can in fact be affected in this way under an agreement to which a Beneficiary is not directly a party. To achieve a binding relationship, a corresponding provision should appear in the Trust Indenture, to the effect that the Beneficiaries will be deemed to be bound by the Indenture Trustee insofar as the Beneficiaries rights against the financing entity are to be affected.

Approved Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by any of the Beneficiaries (whether or not consented to by the Financing Entity or the Province) of any claim for any such recovery or payment over.

2.08 Continuance of the Limited Guarantee

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

2.09 Modifications of Approved Obligations

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

(a) accept new, additional or replacement instruments, documents, agreements or security in connection with all or any part of the Approved Obligations;

(b) accept partial payments on the Approved Obligations; and

(c) waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Approved Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Indenture Trustee (for the benefit of the Beneficiaries) in its discretion may determine,

provided, however, that the Indenture Trustee shall not permit any change, modification, alteration, amendment, supplement, extension, renewal, compromise, novation, replacement, suspension or waiver of the terms of all or any part of the Approved Obligations or any Collateral therefor expect with the prior written consent of the Province having first been obtained.

ARTICLE III
THE INDENTURE TRUSTEE

3.01 The Indenture Trustee

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

3.02 Acceptance of Trusts

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

ARTICLE IV
APPROVED OBLIGATIONS

4.01 Approval Process

A Primary Obligation shall constitute an Approved Obligation if (a) the Adherence Conditions applicable thereto have been satisfied; or (b) the Province has specifically approved in writing the particular terms, conditions and documentation for the Primary Obligation.

4.02 Adherence Conditions

The following shall be the Adherence Conditions applicable in relation to a Primary Obligation:

(a) the Primary Obligation is contemplated under the Trust Indenture as an Obligation Secured;

(b) if the Primary Obligation is a [borrowing][7], at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments[8] under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations,[9] do not exceed the Protection Agreement Maximum;

(c) the FSM delivers a notice to the Indenture Trustee, with a copy to the Province, not less than ■ Business Days and not more than ■ Business Days prior to the incurrence or any amendment of the Primary Obligation, setting out the Protection Agreement Maximum;

(d) the FSM delivers a certificate signed by the Chief Financial Officer and the Treasurer of OPG (or their respective designees, provided that such designees are executive officers of OPG) and addressed to the Province and the Indenture Trustee, not less than ■ Business Days and not more than ■ Business Days prior

[7] Under consideration. Need to ensure that non-conventional instruments (capital rather than debt) are caught in the maximum test.

[8] Note: The concept of "repayments" under the OFHPA take account of contemplated refinancings. There is some risk that an anticipated refinancing would not manifest as contemplated, in which case the amount financed (and subject to the Limited Guarantee) could exceed the Protection Agreement Maximum and result in a balloon payment obligation.

[9] Note: If certain financing entity obligations are guaranteed under a one-off agreement, the interaction between the one-off guaranteed amount and Approved Obligations that are looked at to determine if incurrence of a new Primary Obligation is within the Protection Agreement Maximum will need to be considered.

to the incurrence or any amendment of the Primary Obligation, setting out the following with respect to the Primary Obligation:

i. if the Primary Obligation is a [borrowing], confirmation that, at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations, do not and will not exceed the Protection Agreement Maximum; and

ii. confirmation that the FSM has delivered to the Province a certificate in accordance with the Process Agreement confirming, among other things, that the transaction documents in respect of the Primary Obligation are in substantially the form of the documentation reviewed by the Province; and

(e) the Province has not provided notice to the Indenture Trustee that a Breach Event has occurred and that the Limited Guarantee does not apply to any further Primary Obligations that are incurred.[10]

4.03 Evidence of Satisfaction

A closing certificate signed by at least two executive officers of OPG in connection with an incurrence or amendment of a Primary Obligation shall be determinative as to whether the applicable Adherence Conditions with respect thereto have been satisfied, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defect or deficient, and such closing certificate may be relied upon by any addressee as conclusive evidence of same.

ARTICLE V
RIGHTS OF THE PROVINCE

5.01 Assignment and Subrogation

Upon paying an amount in respect of an Approved Obligation

(a) to or at the direction of the Indenture Trustee in satisfaction of the Limited Guarantee; or

(b) as a result of assuming the Financing Entity's obligations in respect of all Obligations Secured under Article VI,

the Province (in addition to and without prejudice to any rights it otherwise has in law or equity) shall be subrogated and entitled to all of the applicable Beneficiary's rights and interests under and in respect of the Approved Obligation to the extent of such payment, including (a) the right and entitlement to be paid and receive distributions of such amount by the Financing Entity in accordance with and in the priority applicable to the Approved

[10] NTD: Carve-out for re-financings of Approved Obligations already in existence is under consideration.

Obligation applicable in respect of the payment under the Trust Indenture, (b) the benefits of the related Collateral and (c) all proceeds therefrom. The Province shall have and be entitled to enforce all rights and interests (including as a secured party under the Trust Indenture) under such Approved Obligation as an absolute assignee of the applicable Beneficiary, with effect from and after the time of such payment, without any further requirement for notice to or acceptance by the Financing Entity of such absolute assignment and without any reduction, set-off or counterclaim on account of any amounts that may, at or after the time of payment, be or become owing by the Beneficiary to the Financing Entity and unaffected by any other rights or equities that arise thereafter as between the Beneficiary and the Financing Entity. The Indenture Trustee shall recognize the Province as being entitled to all of the rights, interests and entitlements of the Beneficiary (including, if applicable, as a Noteholder) in respect and to the extent of the Approved Obligation so paid, determined as of the time of payment, for all purposes under the Trust Indenture, and the Province shall be treated as a Specified Creditor in respect thereof for all purposes under the Trust Indenture and any other agreement under which the Approved Obligation arises.

5.02 Priorities

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

5.03 Voting Rights under "Outstanding Notes"

Notwithstanding the last three sentences of the definition of "Outstanding" in the Trust Indenture[11]:

(a) Notes in connection with Approved Obligations in respect of which the Province has rights and interest pursuant to Section 5.01 shall be regarded as "Outstanding" within the meaning of the Trust Indenture; and

(b) in determining whether Noteholders of the requisite principal amount of Notes that are Outstanding (as defined in the Trust Indenture) have taken any Action under the Trust Indenture, and for the purposes of Article X of the Trust Indenture, the Province shall be deemed to have the amount of Outstanding (as defined in the Trust Indenture) Notes in proportion to its interest in such Notes based on the amounts that the Province has paid in respect of Approved Obligations under this Agreement.

[11] Note: This concept should be reflected in the Trust Indenture to be effective. Additional scenarios where the Province's rights as an affiliate of OPG may differ from what is expected are to be identified in the underlying Program Agreements.

5.04 Province May Perform Other Program Agreement Covenants.

If the Financing Entity fails to perform any covenant under any Program Agreement, the Province may (but, except as expressly provided for under this Agreement, shall not be obligated to) perform such covenant on behalf of the Financing Entity. If the Province performs such a covenant on behalf of the Financing Entity, all sums expended or advanced by the Province in so performing the covenant will bear interest at the rate of interest determined by the Province to reflect market terms and conditions for a borrowing made by the Province at the relevant time from the date of expenditure until repayment by the Financing Entity [and will (together with such interest) be paid by the Financing Entity upon demand and will until paid form part of the Obligations Secured and constitute a Finance Amount.[12]

ARTICLE VIL
NOTICE OF ASSUMPTION OF OBLIGATIONS SECURED

6.01 Delivery of Assumption Notice

The Province may provide notice (in the form of Exhibit B) to the Indenture Trustee that, in accordance with the terms of the Process Agreement, the Province has elected to assume the Financing Entity's obligations in respect of all Obligations Secured, as obligor and debtor (the "**Assumption Notice**"). The Assumption Notice shall specify the date on which the assignment and assumption of the Obligations Secured will be effective (the "**Assumption Closing Date**").

6.02 Cooperation to Implement the Assignment and Assumption

The Indenture Trustee, the FSM, the Financing Entity and the Province will cooperate and use [commercially reasonable efforts] to complete the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province, by the Assumption Closing Date.[13]

6.03 Effect of Assumption

On the date that the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province becomes effective (the "**Assumption Effective Date**"), the Province shall no longer be required to provide and perform the Limited Guarantee.

6.04 Interim Period

Until the effective time of the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province on the Assumption Effective Date, the Province shall continue to perform and be obligated under the Limited Guarantee.

[12] Note: General Regulation must be revised such that "Finance Amount" picks up guarantor amounts. Under consideration by MOE.

[13] Note: Further details regarding obtaining of third party consents and rating agency approvals to be considered.

ARTICLE VII
INDENTURE TRUSTEE MATTERS

7.01 Limited Recourse

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

7.02 Not Responsible for Recitals or Issuance of Notes

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

7.03 Representations and Covenants of the Indenture Trustee

The Indenture Trustee represents, warrants and covenants that:

(a) the Indenture Trustee is a trust company organized, existing and in good standing under the laws of Canada;

(b) the Indenture Trustee has full power and authority to execute, deliver and perform this Agreement and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement and other documents to which it is a party;

(c) each of this Agreement and the other documents to which it is a party has been duly executed and delivered by the Indenture Trustee and constitutes its legal, valid and binding obligation in accordance with its terms; and

(d) the Indenture Trustee is authorized to carry on the business of a trust company in each of the provinces and territories of Canada.

7.04 Release of all Collateral

(a) The Indenture Trustee shall not execute instruments to release Collateral from the Security Interest of the Trust Indenture, or convey the Indenture Trustee's interest (which is held by the Indenture Trustee for the benefit of the Specified Creditors) in the same, unless and until the rights and interests of the Province under Section 5.01 or otherwise as an assignee of any of the Obligations Secured or as a

subrogee have been satisfied in full and the Province has no continuing obligations under this Agreement.

(b) The Province shall be entitled to receive at least 10 Business Days' written notice when the Indenture Trustee proposes to take any action pursuant to Subsection 7.04(a), accompanied by copies of any instruments involved.

7.05 Right to Notice and Attend Meetings

The Financing Entity shall ensure that the Province receives advance notice of any meeting or proposed written resolution of Specified Creditors (or any of them) and the Province and its legal advisers shall be permitted to attend and be represented at any meeting of such Specified Creditors.

ARTICLE VIII
SUSPENSION OF ADHERENCE FOR NEW PRIMARY OBLIGATIONS

8.01 Suspension Notice

A written notice in the form of Exhibit C (a "**Suspension Notice**"):

(a) shall be provided by the FSM to the Province and the Indenture Trustee promptly following the occurrence of a Program Breach; and

(b) may be provided by the Province to the Indenture Trustee, the FSM and the Financing Entity following the occurrence of a Breach Event.

8.02 Suspension

If a Suspension Notice has been provided under Section 8.01 (the provision of such notice being a "**Suspension Event**"), the Financing Entity shall not incur any new or additional Obligation Secured and shall not amend or terminate any existing Obligation Secured except with the prior written consent of the Province.

8.03 Termination Notice

On the occurrence of a Suspension Event, the Province may provide to the Indenture Trustee, the FSM and the Financing Entity a notice in the form of Exhibit D (a "**Termination Notice**").

8.04 No Impact on Adherence

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

ARTICLE IX
MISCELLANEOUS

9.01 Term of Agreement

This Agreement will continue until the later of:

(a) the date that no amount is or may become due and payable by the Province under the Limited Guarantee; and

(b) the date that a Termination Notice is received by the Indenture Trustee, the FSM and the Financing Entity.

9.02 Notices

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

(a) if to the Financing Entity:

[Financing Entity]
c/o Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]
Email: [■]

with copies to:

[Financing Entity Trustee], in its capacity as Financing Entity Trustee for
[Financing Entity]
[Address]
Attention: [■]

Fax: (416) [■]
Email: [■]

[■]

(b) if to the FSM:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]
Email: [■]

(c) if to the Province:

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

and

Ministry of Energy
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

(d) if to the Indenture Trustee:

[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

or to such other addresses as a party may from time to time notify the other parties in accordance with this Section 9.02.

9.03 Assignment

(a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties.

(b) Any purported assignment of this Agreement in violation of this Section 9.03 shall be null and void.

9.04 Enurement

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

9.05 FIPPA

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

9.06 Confidentiality

[Note: To be considered based on what would be customary and appropriate for similar types of arrangements and would be acceptable to the Province. Note that this Agreement will become part of the package of rights acquired by investors and counterparties and so it is unclear to what extent confidentiality can or should be preserved in these circumstances.]

9.07 No Petition

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

9.08 Force Majeure

In no event shall the Indenture Trustee or the Financing Entity Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Indenture Trustee and the Financing Entity Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

9.09 Delivery of Executed Copies

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

[Signature page to follow]

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

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

By: _____
Name:
Title:

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

By: _____
Name:
Title:

ONTARIO POWER GENERATION INC., AS FSM

By: _____
Name:
Title:

By: _____
Name:
Title:

[FINANCING ENTITY TRUSTEE], IN ITS CAPACITY AS FINANCING ENTITY TRUSTEE FOR [FINANCING ENTITY]

By: _____
Name:
Title:

[INDENTURE TRUSTEE], AS INDENTURE TRUSTEE AND NOT IN ITS INDIVIDUAL CAPACITY

By: _____
Name:
Title:

SCHEDULE A
DEFINED TERMS

"**Acceleration**" has the meaning ascribed to the term "acceleration"[14] in the General Regulation.

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

"**Action**" has the meaning ascribed thereto under the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

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

"**Assumption Closing Date**" has the meaning ascribed thereto in Section 6.01.

"**Assumption Effective Date**" has the meaning ascribed thereto in Section 6.03.

"**Assumption Notice**" has the meaning ascribed thereto in Section 6.01.

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

"**Breach Event**" means the occurrence or existence of any one or more of the following: (a) a default in the performance, or breach, of any covenants of OPG under the Process Agreement; or (b) any representation or warranty made by OPG, or any certification made by OPG under the Process Agreement, proves to be incorrect in any material respect on the date made; or (c) OPG is no longer the FSM, the Administrative Agent or the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove OPG as the FSM, the Administrative Agent or the Manager.

"**Business Day**" means (a) any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are [, or the office of the Indenture Trustee is,] authorized or obligated by applicable law, regulation or executive order to be closed.

"**Capital Account**" has the meaning ascribed to the term "capital account" in the General Regulation.

"**Change of Law Protection Agreement**" means this Agreement.

[14] Note: A proposal to add this concept into the Regulation is under consideration by MOE. Further modifications to follow, depending on that process.

"**Collateral**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

"**Collection Account**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

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

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

"**Finance Reserve Account**" has the meaning ascribed to the term "finance reserve account" in the General Regulation [as of the date of this Agreement].

"**Financing Entity**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Financing Entity Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Financing Entity at such time.

"**FSM**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act [as of the date of this Agreement].

"**General Regulation**" means O. Reg. 206/17 made under the Act.

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

"**IESO**" has the meaning ascribed thereto in the Act [as of the date of this Agreement].

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

"**Investment Interest**" has the meaning ascribed to the term "Investment Interest" in the Act [as of the date of this Agreement].

"**Legislature**" means the Legislature of the Province of Ontario.

"**Limited Guarantee**" has the meaning ascribed thereto in Section 2.01(b).

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, and acknowledged and accepted by the Indenture Trustee.

"**Note**" or "**Notes**" has the meaning ascribed thereto under the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Noteholder**" has the meaning ascribed thereto under the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Obligations Secured**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**OIC**" has the meaning ascribed thereto in the second paragraph of the recitals in this Agreement.

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

"**Original Currency**" has the meaning ascribed thereto in Section 1.18(a).

"**Payment Demand**" has the meaning ascribed thereto in Section 2.01(a).

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

"**Primary Obligations**" means any Obligation Secured that is a Funding Obligation, other than (a) any amounts that are or become payable as a result of the exercise of an option of the Financing Entity following a Protection Event; and [(b) any amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account, Finance Reserve Account, or Supplemental Reserve Account.][15]

"**Process Agreement**" means the Change of Law Process Agreement dated [■], 2017 between the Province and OPG.

[15] Note: Possible simplification of definition structure under consideration.

"**Program Agreements**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

"**Protection Agreement Maximum"** means the dollar amount determined by the Province and of which OPG is provided notice in accordance with the Process Agreement.[16]

"**Protection Event**" means the occurrence of any of the following events:

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

(ii) the Legislature enacts or amends any other statute;

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

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

(v) there is a change in the organization or structure of the IESO or Ontario's electricity market[17] undertaken at the initiative of the Province or an entity controlled by the Province,

in each case, that materially and adversely affects (a) the ability of the Financing Entity to receive amounts on its Investment Interest so that it can pay Obligations Secured, or (b) this Agreement or any of the agreements under which Obligations Secured arise, other than if the Indenture Trustee has confirmed in writing that the effect under such agreements is otherwise acceptable; or

(b) a court of competent jurisdiction [in a final and non-appealable judgement][18] determines that all or a portion of the Act or the regulations made under the Act, as in effect on the date hereof, is *ultra vires* or invalid in a way that materially and

[16] Note: An alternative would be to expressly state the Program Agreement Maximum amount and the process by which this amount is determined in this Agreement.

[17] Note: Consider more clarity to "Ontario's electricity market".

[18] Under consideration to assess the marketability implications of this phrase.

adversely affects the ability of the Financing Entity to receive amounts on its Investment Interest so that it can pay Obligations Secured.

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

"**Repayment**" has the meaning ascribed thereto in the General Regulation.

"**Second Currency**" has the meaning ascribed thereto in Section 1.18(b).

"**Security Interest**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Specified Creditors**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Supplemental Reserve Account**" has the meaning ascribed in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Suspension Event**" has the meaning ascribed thereto in Section 8.02.

"**Suspension Notice**" has the meaning ascribed thereto in Section 8.01.

"**Termination Notice**" has the meaning ascribed thereto in Section 8.03.

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

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

EXHIBIT A
FORM OF PAYMENT DEMAND

EXHIBIT B
ASSUMPTION NOTICE

EXHIBIT C
SUSPENSION NOTICE

EXHIBIT D
TERMINATION NOTICE

Internal Draft: November 2, 2017

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

AND

ONTARIO POWER GENERATION INC.

CHANGE OF LAW PROCESS AGREEMENT

Dated as of [■], 2017

This **CHANGE OF LAW PROCESS AGREEMENT**, between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the "**Province**"), and Ontario Power Generation Inc. ("**OPG**"), is made and entered into as of [■], 2017.

RECITALS

OPG is appointed as the Financial Services Manager under Section 18 of the *Ontario Fair Hydro Plan Act, 2017* (the "**Act**").

Pursuant to Section 22(2) of the Act, OPG, in its capacity as the Financial Services Manager (the "**FSM**"), may establish or cause to be established one or more financing entities (as defined in the Act), which may incur Funding Obligations in accordance with the Act.

Pursuant to a Declaration of Trust dated as of ■, 2017, the FSM [established] the Financing Entity as a "financing entity" (as defined in the Act) for the purposes contemplated in the Act.

Concurrent with this Agreement, the Province, the FSM, the Financing Entity and the Indenture Trustee will enter into the Change of Law Protection Agreement under which the Province will agree to provide protections and assurances to the Indenture Trustee, for the benefit of the Beneficiaries, in respect of Obligations Secured that constitute Approved Obligations, in order to address concerns that would arise from a change or adverse determination of law, subject in each case to the satisfaction of the Adherence Conditions at the time the Approved Obligation is incurred or amended.

This Agreement sets out the obligations OPG has agreed to perform and assurances OPG has agreed to provide and on which the Province will rely in entering into and implementing the Change of Law Protection Agreement, including for the purposes of determining whether the Adherence Conditions have been satisfied in connection with the incurrence or amendment of an Approved Obligation, maintaining information related to the Program Agreement and the Approved Obligations, and ensuring that the Province's assumption rights pursuant to Article VI of the Change of Law Protection Agreement may be exercised without impediment on the terms and conditions contemplated in this Agreement and the Change of Law Protection Agreement.

All things necessary to make this Agreement a valid and legally binding agreement of OPG, and of the Province in accordance with the Act and the OIC, have been done.

AGREEMENT OF THE PARTIES

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

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

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

(a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A;

(b) the terms used in this Agreement that are not defined in this Agreement shall have the meanings assigned to them in the Change of Law Protection Agreement;

(c) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;

(d) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;

(e) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;

(f) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;

(g) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

(h) all references in this Agreement to designated "Sections", "Subsections" "Schedules", "Exhibits" and other subdivisions are to the designated, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, Subsection, Schedule, Exhibit or other subdivision;

(i) "including" and words of similar import will be deemed to be followed by "without limitation"; and

(j) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.02 References to the Financing Entity or the Financing Entity Trustee

For greater certainty, each reference to the Financing Entity or to the Financing Entity Trustee shall be construed as a reference to the Financing Entity Trustee, as trustee of the Financing Entity.

1.03 Effect of Headings

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

1.04 Successors and Assigns

All covenants and agreements in this Agreement by the parties will bind their respective successors and permitted assigns, whether so expressed or not.

1.05 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.06 Governing Law

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

1.07 Proceedings Against the Crown Act

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

1.08 Attornment

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

1.09 Counterparts; Electronic Delivery

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

1.01 Change of Law Process Agreement Referred to in the Change of Law Protection Agreement

This Agreement is the "Change of Law Process Agreement" referred to in the Change of Law Protection Agreement.

1.10 Non-Business Days

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

1.11 Waiver, Amendment

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

ARTICLE II
COVENANTS OF OPG

2.01 Deliveries to the Province

(a) Not less than ■ Business Days prior to the initial issuance of any Funding Obligation by the Financing Entity, OPG shall deliver to the Province a copy of

the initial Financing Plan. Thereafter, OPG shall promptly deliver to the Province a copy of any proposed change to or replacement of the Financing Plan.

(b) Not less than ■ Business Days prior to the initial issuance of any Funding Obligation by the Financing Entity, OPG shall deliver to the Province an analysis and assessment of the tax position of the Financing Entity. Thereafter, OPG shall promptly deliver to the Province a copy of any proposed change to or replacement of such analysis and assessment.

(c) Not less than ■ Business Days prior to any proposed change, addition or supplement to a Transaction Document becoming effective or otherwise being used, OPG shall deliver to the Province a copy of such proposed change, addition or supplement to the Transaction Document.

(d) Promptly following any incurrence of a Funding Obligation or any amendment of a Funding Obligation, OPG shall provide the Province with electronic copies of all related Governing Documents and all other closing documents executed by or on behalf of the Financing Entity in connection with such incurrence or amendment that would affect the Financing Entity's assets or obligations (including, for greater certainty, any related Disclosure Document).

(e) Promptly upon request, OPG shall provide the Province with such additional information and documentation as the Province requests in order to enable the Province to assess the nature and extent of its obligations under the Change of Law Protection Agreement.

(f) OPG shall, as the FSM, cause the Financing Entity to deliver to the Province copies of the Financing Entity's annual tax returns and any related tax assessment not more than ■ Business Days after such a tax return or tax assessment is required to be filed under applicable law.[1]

2.02 Covenants

(a) OPG shall, as the FSM, cause the Financing Entity to:

(i) punctually perform and observe all of its obligations and agreements contained in the Program Agreements;

(ii) ensure that all Obligations Secured are incurred pursuant to and in accordance with the terms and conditions of the Trust Indenture;

(iii) ensure that no obligations other than the Obligations Secured are incurred by or on behalf of the Financing Entity;

[1] Note: The tax documents to be provided to the Province are under consideration.

(iv) not engage in any business other than as permitted under the Declaration of Trust or the other Program Agreements and activities ancillary thereto; and

(v) not, without the prior written consent of the Province:

(A) amend, supplement, modify, restate or replace or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to any of the Program Agreements, if any such supplementation, amendment, modification, restatement or replacement or waiver or consent could reasonably be considered to be materially prejudicial to the rights or interests of the Province under the Change of Law Protection Agreement;

(B) consent to the resignation of (1) the Administrative Agent under the Administrative Services Agreement; or (2) the Manager under the Management Agreement;

(C) consolidate or merge with or into any other Person;

(D) permit the validity or effectiveness of the Change of Law Protection Agreement to be impaired;

(E) permit any Lien (other than the Security Interest) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the proceeds thereof;

(F) sell, transfer, exchange or otherwise dispose of any of the Collateral, other than as expressly permitted by the Trust Indenture;

(G) release any security or guarantee in respect of the Collateral other than as expressly permitted by the Trust Indenture; or

(H) voluntarily dissolve or liquidate.

(b) OPG shall:

(i) comply, and as the FSM cause compliance by the Financing Entity, with the Act, the General Regulation and any other enactment related thereto;

(ii) promptly notify the Province of the creation of any Funding Obligation that is not or would not be an Approved Obligation;

(iii) after the occurrence of any Protection Event (or any event that with the passage of time or the giving of notice would be a Protection Event), not, without the Province's prior written consent, permit the Financing Entity to exercise any redemption, pre-payment, early termination or extension

right in respect of any Approved Obligation or exercise any other election or privilege in respect of any Approved Obligation, in each case if as a result the obligations applicable to the Approved Obligation under this Agreement would be accelerated, delayed or otherwise affected; and

(iv) ensure that any disclosure (including any Disclosure Document) that refers to or describes the terms, effect or adherence of or to this Agreement will be subject to the prior review of the Province and such disclosure will not be made (and any such Disclosure Document shall not be used) without the prior written consent of the Province.

ARTICLE III
PROCESS CERTIFICATE

3.01 Process Certificate

OPG shall deliver a certificate (the "**Process Certificate**"), signed by the Chief Financial Officer and the Treasurer of OPG (or their respective designees, provided that such designees are also executive officers of OPG) and addressed to the Province, not less than ■ Business Days prior to the incurrence or any amendment of a Primary Obligation, setting out the following with respect to the Primary Obligation:

(a) the material terms of the Funding Obligations pertaining to principal amount, pricing and third party fees;[2]

(b) if an existing Primary Obligation is proposed to be amended, material details respecting such amendment and the anticipated effect of the amendment on or in relation to the affected terms and conditions of the Primary Obligation, including regarding the applicable details set forth in Subsection 3.01(a), as the context requires;

(c) a statement that: (i) the Primary Obligation to be incurred or amended (1) will arise under terms and conditions that are Substantially in the Form of the Reviewed Documentation applicable thereto; (2) in the opinion of the signatories to the Process Certificate, are reasonably incurred in compliance with the Act, the General Regulation, any other enactments related thereto and the applicable Financing Plan; (3) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and (4) reflect, in all material respects, arm's length terms and conditions; and (ii) any Disclosure Document used in connection with the offering and sale of notes, bonds or other securities is Substantially in the Form of the Reviewed Documentation;

[2] Note: Level of detail required by the Province is under consideration. Province to consider whether it would like further details regarding Principal Obligations, Redemption Obligations, Interest Obligations, Hedging Obligations, Third Party Expense Obligations or Other Funding Obligations. In desirable, particulars regarding Hedging Obligations and the market in which notes are issued to be considered.

(d) a statement that no Breach Event has occurred on or prior to the date of the Process Certificate, unless such Breach Event has been waived by the Province in writing; and

(e) if the Primary Obligation is a [borrowing], confirmation that, at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations, do not and will not exceed the Protection Agreement Maximum.

3.02 Acknowledgment

The parties acknowledge that the Process Certificate is the certificate referred to in Subsection 4.02(d)(ii) of the Change of Law Protection Agreement.

3.03 Meaning of "Reviewed Documentation"

For the purposes of Subsection 3.01(c), the term "Reviewed Documentation" shall mean each Transaction Document (including any change, addition or supplement thereto) that, at the relevant time:

(a) has been provided to the Province in accordance with Subsection 2.01(c); and

(b) has been accepted by the Province, as confirmed by way of a written notice of acceptance from the Province delivered to OPG.

3.04 Meaning of "Substantially in the Form"

For the purposes of Subsection 3.01(c), the term "Substantially in the Form" shall mean:

(a) with respect to the Reviewed Documentation referred to in clauses (i) to (xi) of the definition of "Transaction Documents", that there are no differences between the proposed documents and such Reviewed Documentation that could result in a change in the material terms or conditions applicable to the applicable Primary Obligation, including regarding the timing of or circumstances under which related payments are or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization), or that would affect the Province's rights of subrogation or assignment (including pursuant to Section 5.01 of the Change of Law Protection Agreement) or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation;

(b) with respect to the Reviewed Documentation referred to in clauses (v) to (ix) of the definition of "Transaction Documents", and, where applicable, clauses (x) and (xi) of the definition of "Transaction Documents" as the context requires, that the variable terms to be set forth in the proposed documents are as reasonably contemplated in the Reviewed Documentation, as to the type, scope and extent of

the Primary Obligations arising thereunder and as to the timing, conditions and circumstances in which payment obligations under such Primary Obligations may arise, but without regard to the particular financial terms, rates and levels set forth in the proposed documents other than to the extent that the forms of Reviewed Documentation themselves specify specific requirements, limitations or parameters with respect to such financial terms, rates, levels and parameters; and

(c) with respect to the Reviewed Documentation referred to in clause (xii) of the definition of "Transaction Documents", that there are no material differences between the form and substance of the proposed Disclosure Document and such form of Disclosure Document and that the proposed disclosure document complies in all material respects with all securities disclosure requirements relating to the Primary Obligation subject to distribution thereunder.

ARTICLE IV
PROTECTION AGREEMENT MAXIMUM

4.01 Protection Agreement Maximum

(a) The initial Protection Agreement Maximum shall be determined by the Province prior to the initial issuance of the first Funding Obligation. The initial Protection Agreement Maximum will be confirmed by the Province by notice in writing to OPG, as the FSM.

(b) Not less than ■ Business Days prior to the proposed incurrence of the first Funding Obligation, OPG shall, as the FSM, deliver to the Province a forecast setting out OPG's expectations regarding the aggregate maximum amount of Repayments that would arise in the future under Approved Obligations to be incurred during the next following 24 month period (the "**Initial Forecast Period**"), which expectations shall be consistent with the applicable Financing Plan (the "**Initial Forecast**"). In determining the initial Protection Agreement Maximum, the Province may have regard to (but not be bound by) the Initial Forecast.

(c) Between nine (9) and twelve (12) months prior to the end of the Initial Forecast Period, OPG shall, as the FSM, deliver to the Province an updated forecast setting out the sum of (1) the aggregate amount of Repayments that will arise in the future under Approved Obligations that are then outstanding and (2) OPG's expectations regarding the aggregate maximum amount of Repayments that would arise in the future under Approved Obligations to be incurred during the period ending 24 months following the Initial Forecast Period, which expectation shall be consistent with then applicable Financing Plan. Such updated forecast shall be further updated on a similar basis with respect to each successive 24 month period or more frequently if at any time OPG has knowledge that the most recent forecast is materially inaccurate (the Initial Forecast and each such updated forecast, each a "**Forecast**").

(d) Upon receiving an updated Forecast, the Province shall determine whether or not the Protection Agreement Maximum will be revised. In determining whether the Protection Agreement Maximum will be revised, the Province may have regard to (but not be bound by) such updated Forecast. Any determination by the Province to revise the Protection Agreement Maximum will be confirmed by setting out a new Protection Agreement Maximum in a written notice from the Province to the FSM and the Indenture Trustee, the delivery of which will be conclusive evidence that such new Protection Agreement Maximum will apply until it may be further so revised.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

5.01 Representations and Warranties of OPG

OPG represents and warrants that on the date hereof and on each day that a Primary Obligation is incurred or amended:

(a) The Financing Entity is a trust duly constituted and validly existing under the laws of the Province of Ontario, is duly qualified to carry on its business in each jurisdiction in which it carries on business, and has the power and authority to perform the acts that OPG, as the FSM, shall cause it to perform pursuant to this Agreement and to own its property and carry on its business in accordance with the Program Agreements.

(b) OPG is a corporation duly constituted and validly existing under the laws of the Province of Ontario, is duly qualified to carry on its business in each jurisdiction in which it carries on business, has the power and authority to enter into and perform its obligations under this Agreement and all instruments and agreements delivered pursuant hereto and to own its property and carry on its business as currently conducted.

(c) OPG has been validly appointed, and has irremovably accepted such appointment, as the FSM in accordance with the Act. OPG has the power and authority to enter into and perform its obligations as the FSM under the Program Agreements and all instruments and agreements delivered pursuant thereto.

(d) The execution, delivery and performance of this Agreement and every instrument or agreement delivered pursuant hereto or in its capacity as the FSM has been or will be duly authorized by all requisite action by OPG and constitute a valid and binding obligation of OPG enforceable against OPG in accordance with its terms subject to (i) applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally, and (ii) equitable principles which may limit the availability of certain remedies, including the remedy of specific performance.

(e) There are no actions, suits or proceedings pending or, to the knowledge of OPG, threatened against or affecting OPG (including in its capacity as the FSM) or the

Financing Entity at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of OPG or the Financing Entity or in the ability of OPG or the Financing Entity to perform their respective obligations under the Program Agreements.

(f) There are no actions, suits or proceedings pending or, to the knowledge of OPG, threatened against or affecting OPG at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of OPG or in the ability of the OPG to perform its obligations under this Agreement or the Program Agreements.

(g) The performance by the Financing Entity of the Program Agreements does not conflict with, will not conflict with, does not result in, and will not result in, any breach of, and does not constitute, a default under, the Declaration of Trust or any agreements or instruments to which the Financing Entity is a party or by which it or any of its property and assets are bound.

(h) Neither the execution nor delivery of this Agreement, the Program Agreements nor any agreements or instruments delivered pursuant hereto or thereto, the consummation of the transactions herein or therein, nor compliance with the terms, conditions and provisions hereof or thereof conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under, any of the provisions of the constating documents of OPG or any agreements or instruments to which OPG is a party or by which it or any of its property and assets are bound.

(i) No consent, approval or authorization of, or declaration, registration, filing or qualification with, or giving of notice to, or taking of any other action in respect of, any Governmental Authority on the part of OPG is required in connection with the execution and delivery of this Agreement, the Program Agreements or any agreements or instruments delivered pursuant hereto or thereto or the consummation of any of the transactions contemplated hereby or thereby or in connection with the enforcement of this Agreement, the Program Agreements or any agreements or instruments delivered pursuant hereto or thereto, except those which have been obtained.

ARTICLE VI
ELECTION TO ASSUME APPROVED OBLIGATIONS

6.01 Election by the Province

At any time following the occurrence of a Protection Event, the Province may (but shall not be obligated) to elect to assume the Financing Entity's obligations in respect of all Obligations Secured, as obligor and debtor. To make such election, the Province shall duly

complete and deliver to OPG a notice in the form of Exhibit A (an "**Election Notice**"), which in turn will set forth the form of agreement (an "**Assumption Agreement**") setting forth the material terms and conditions under which the Province would assume and become obligated under each of the Obligations Secured. The Election Notice shall, among other things, specify the date on which the Province proposes to assume the Obligations Secured, which date shall be no earlier than 20 Business Days following delivery of the Election Notice to OPG (the "**Proposed Assumption Date**").

6.02 Details regarding Obligations Secured

Promptly following the delivery of the Election Notice to OPG, OPG shall provide the following information and documentation to the Province:

(a) a summary of the amounts that will be owing under all Obligations Secured as of the Proposed Assumption Date, together with a detailed schedule setting out the dates on which such amounts will become due and payable under the Obligations Secured;

(b) a summary of the rights arising under the Obligations Secured that permit the Financing Entity to assign the Obligations Secured to the Province, including details regarding any conditions precedent to such assignment and the related assumption becoming effective and any notices, filings, consents or other actions that will be required in order to implement and effect such assignment and assumption;

(c) current versions of all documentation under which the Obligations Secured arise;

(d) copies of all correspondence exchanged between OPG, as the FSM, or the Financing Entity, on the one hand, and any Specified Creditor, Rating Agency or the Indenture Trustee, on the other hand, in each case that may reasonably be considered to be material to the assumption and performance of the Obligations Secured by the Province;

(e) all income tax returns and assessments, financial statements and notices of proceedings of or pertaining to the Financing Entity or its business and any documentation related thereto, including any pleadings, appeals, objections, qualifications or other similar materials in respect of the Financing Entity or any Program Agreement; and

(f) a draft version of the Assumption Agreement prepared in relation to each Obligation Secured, prepared in accordance with and having regard to the requirements of the relevant agreement(s) under which the Obligation Secured arises.

6.03 Settlement of Terms

Within ■ Business Days following receipt by the Province of the information and documentation to be provided under Section 6.02, the Province shall confirm in writing whether

or not it will proceed with the assignment and assumption of the Obligations Secured and, if it will be proceeding with the assignment and assumption, the date on which the Province intends that assignment and assumption will be effected, which may not be earlier than the Proposed Assumption Date. If it will be proceeding with such assignment and assumption, the Province will deliver an Assumption Notice as contemplated under Section 6.01 of the Change of Law Protection Agreement, which will specify such date as the "Assumption Closing Date" for the purposes thereof.

6.04 Cooperation to Implement the Assignment and Assumption

OPG shall cooperate with the Province and, as FSM, will cause the Financing Entity to cooperate to complete the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province, by the applicable Assumption Closing Date.[3]

6.05 Terms of Obligations Secured

In order to permit the Province to assume the Obligations Secured in the circumstances contemplated herein, OPG will, and as FSM, will cause the Financing Entity to, ensure that all Obligations Secured permit such an assignment to and assumption by the Province substantially in accordance with the terms and on the basis contemplated in the Assumption Agreement, without any penalty or make-whole payment, or any requirement for further consent, approval or agreement, or alternatively, in the case of any Obligations Secured entered into by or on behalf of the Financing Entity for the provision of on-going services to the Financing Entity, permitting the satisfaction and termination of such Obligations Secured on or prior to the effective time of such assumption without any acceleration of future fees, profits or other like amounts.[4]

ARTICLE VII
BREACH EVENTS

7.01 Breach Events

"**Breach Event**" shall mean the occurrence or existence of any one or more of the following:

(a) a default in the performance, or breach, of any covenants of OPG under this Agreement (including in respect of its role as FSM under any Program Agreement;

(b) any representation or warrant made by OPG in this Agreement, or any certification made in a Process Certificate, proves to be incorrect on the date made; or

[3] Note: Further details regarding obtaining of third party consents and rating agency approvals to be considered.

[4] Note: The Trust Indenture will need to include a clause providing that the obligations of the Financing Entity to the Indenture Trustee and the Noteholders may be assigned to the Province in accordance with an assumption agreement, substantially in the form set out in an exhibit to the Trust Indenture.

(c) OPG is no longer the FSM, the Administrative Agent or the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove OPG as the FSM, the Administrative Agent or the Manager.

7.02 Notice on Breach Event

If any Breach Event shall have occurred and not been waived in writing by the Province, the Province shall have the right, upon written notice to OPG at its option, and in addition to and not in substitution for any other remedies available hereunder at law or equity, to provide notice to the Indenture Trustee that a Breach Event has occurred and, in accordance with the Change of Law Protection Agreement, that the Limited Guarantee does not and will not apply to any Primary Obligations that may thereafter be incurred or amended by or on behalf of the Financing Entity.[5]

ARTICLE VIII
MISCELLANEOUS

8.01 Term of Agreement

This Agreement will continue for the term of the Change of Law Protection Agreement.

8.02 Notices

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

(a) if to OPG:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]

[5] NTD: Carve-out for re-financings of Approved Obligations already in existence is under consideration.

Email: [■]

(b) if to the Province:

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

and

Ministry of Energy
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

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

8.03 Assignment

(a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties.

(b) Any purported assignment of this Agreement in violation of this Section 8.03 shall be null and void.

8.04 Enurement

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

8.05 FIPPA

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

8.06 Confidentiality

[Note: To be considered based on what would be customary and appropriate for similar types of arrangements and would be acceptable to the Province.]

8.07 Delivery of Executed Copies

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

[Signature page to follow]

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

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

By: _____

Name:
Title:

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

By: _____

Name:
Title:

ONTARIO POWER GENERATION INC.

By: _____

Name:
Title:

By: _____

Name:
Title:

Each of the undersigned hereby acknowledge the foregoing as of the day and year first above written.

[FINANCING ENTITY TRUSTEE], IN ITS CAPACITY AS FINANCING ENTITY TRUSTEE FOR [FINANCING ENTITY]

By: _____
Name:
Title:

[INDENTURE TRUSTEE], AS INDENTURE TRUSTEE AND NOT IN ITS INDIVIDUAL CAPACITY

By: _____
Name:
Title:

SCHEDULE A
DEFINED TERMS

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

"**Adherence Conditions**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

["**Administrative Agent**" means OPG, in its capacity as administrative agent of the Financing Entity under the Administrative Services Agreement.]

["**Administrative Services Agreement**" means the administrative services agreement dated [■], 2017 between the Financing Entity and the Administrative Agent concerning the reimbursement of certain costs incurred by the Administrative Agent in connection with the administration of the Financing Entity.][6]

"**Approved Obligation**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Assumption Agreement**" has the meaning ascribed thereto in Section 6.01.

"**Assumption Closing Date**" has the meaning ascribed thereto in Section 6.03.

"**Beneficiaries**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Breach Event**" has the meaning ascribed thereto in Section 7.01.

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

"**Capital Account**" has the meaning ascribed to the term "capital account" in the General Regulation.

"**Change of Law Protection Agreement**" means the Change of Law Protection Agreement dated [■], 2017 among the Province, the Financing Entity, the FSM and the Indenture Trustee.

"**Collateral**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Financing Entity and any other owner or owners of an Investment Interest as contemplated by Subsection 29(5) of the Act.

[6] Note: To be confirmed if required.

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

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

"**Disclosure Document**" means a disclosure document (including any offering circular, prospectus or other investor disclosure statement) describing the material terms of the notes, bonds or securities to be issued pursuant to a supplemental indenture under the Trust Indenture, together with any related material information;

"**Election Notice**" has the meaning ascribed thereto in Section 6.01.

"**Finance Reserve Account**" has the meaning ascribed to the term "finance reserve account" in the General Regulation [as of the date of this Agreement].

"**Financing Entity**" means [■], a trust settled by the FSM under the laws of the Province of Ontario and under which the Financing Entity Trustee is the trustee.

"**Financing Entity Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Financing Entity at such time.

"**Financing Plan**" has the meaning ascribed thereto in the Act.

"**Forecast**" has the meaning ascribed thereto in Section 4.01(c).

"**FSM**" has the meaning ascribed thereto in the second paragraph of the recitals of this Agreement.

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act.

"**General Regulation**" means O. Reg. 206/17 made under the Act.

"**Governing Document**" has the meaning ascribed to the term "governing document" in the General Regulation.

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

"**IESO**" has the meaning ascribed thereto in the Act.

"**Indenture Trustee**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Initial Forecast**" has the meaning ascribed thereto in Section 4.01(b).

"**Initial Forecast Period**" has the meaning ascribed thereto in Section 4.01(b).

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act.

"**Legislature**" means the Legislature of the Province of Ontario.

"**Lien**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Limited Guarantee**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

["**Management Agreement**" means the management agreement dated [■], 2017 between the Manager and the Financing Entity.]

["**Manager**" means OPG, in its capacity as manager of the Financing Entity under the Management Agreement.][7]

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, and acknowledged and accepted by the Indenture Trustee.

"**Obligations Secured**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**OPG**" has the meaning ascribed thereto in the first paragraph of this Agreement.

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

"**Primary Obligations**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Process Certificate**" has the meaning ascribed thereto in Section 3.01.

"**Program Agreements**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

[7]Note: To be confirmed if required. Also note that the draft Trust Indenture refers to OPG as the "manager" (rather than "Financial Services Manager" as under the Act). To be reconciled.

"**Proposed Assumption Date**" has the meaning ascribed thereto in Section 6.01.

"**Protection Agreement Maximum**" means the dollar amount determined by the Province and of which OPG is provided written notice in accordance with Article IV.

"**Protection Event**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

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

"**Rating Agency**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Repayment**" has the meaning ascribed thereto in the General Regulation.

"**Security Interest**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Specified Creditors**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Supplemental Reserve Account**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

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

"**Transaction Document**" means (i) all constating and organizational documents of the Financing Entity, including the Declaration of Trust; (ii) any management, administration or servicing agreement to which the Financing Entity is a party, including any replacement or standby services agreement, the Administrative Services Agreement and the Management Agreement; (iii) the Master Transfer and Servicing Agreement between the Financing Entity and the IESO; (iv) Trust Indenture; (v) the form of supplemental indenture (supplemental to the Trust Indenture) governing the terms and conditions of a sample series of notes, bonds or other securities to be issued by the Financing Entity, including the particular allocations, security and priority of the Obligations Secured being serviced by the related Investment Interest and any other related series property; (vi) the form of any note, bond or securities purchase agreement; (vii) the form of underwriting agreement, agency agreement, selling agreement and/or subscription agreement that may be used with respect to a sale of a related series of notes, bonds or securities to be issued under the supplemental indenture referred to in (v), above; (viii) the form of any loan or credit agreement governing the issuance of short term loan obligations by the Financing Entity; (ix) the form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; (x) the form of any other agreement or instrument under which a Funding Obligation may arise or be effected,

including any other agreement under which the Financing Entity incurs a material financial obligation or that affects the Province's subrogation rights and/or subrogee interests, including any standby liquidity arrangements or credit enhancement agreements; (xi) if applicable, a Co-Owner Agreement or any other agreement governing the respective interests of persons having rights or interests in the investment asset or other assets of the Financing Entity, including any other agreement of the sort contemplated in Subsection 29(5) of the Act; and (xii) the form of Disclosure Document.

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

EXHIBIT A
FORM OF ELECTION NOTICE

(form of Assumption Agreement to be attached, once settled)

From:	Sarah Harris
To:	Opal Kandelas
Subject:	FW: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
Date:	Thursday, November 02, 2017 10:44:42 AM
Attachments:	23239360-v8-CLPA - Protection Agreement.docx 23239361-v6-CLPA - Process Agreement.docx

Hi Opal,

I'm going to be tied up between 12 and 3 on the FHP meeting. Docs are attached.

Sarah

From: Sarah Harris

Sent: Thursday, November 02, 2017 10:43 AM

To: Malle Hanslep (MOF)

Cc: Tobias P. Whitfield (MOF)

Subject: RE: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Thanks, Malle. I will try to attend most of it. I'm tied up with finalizing the IESO Fair Hydro Plan Agreements for execution tomorrow, and we're trying to organize a call today with IESO today. I may need to drop in and out.

Sarah

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Thursday, November 02, 2017 10:39 AM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>

Subject: FW: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Hi Sarah, Meeting today from 12 to 3 to review this. Think it would be good if you can attend. Thanks.

From: Whitfield, Tobias P. (MOF)
Sent: November 2, 2017 9:41 AM
To: Strathy, Anna (OFA); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: RE: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Please find attached preliminary drafts of the Protection Agreement and the Process Agreement for discussion at our meeting this afternoon.

Note that these drafts contain a number of issues that are still under consideration and up for discussion.

Best

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Appointment-----
From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: November 2, 2017 8:31 AM
To: Anna Strathy; Whitfield, Tobias P. (MOF); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep,

Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
When: November 2, 2017 12:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Executive Boardroom, 14th Floor, 1 Dundas OR Teleconference 1-866-602-5461 or 416-212-8011 | Conference ID: 4717656

Nov 2: Rescheduled from 10:00am to 12:00pm

MOF Legal is expecting a second draft between 9 and 10am today. The later meeting time will allow time to review prior to discussing.

Lunch will be provided

Toll-free dial-in number: 1-866-602-5461

Local dial-in number: 416-212-8011

Conference ID: 4717656

OFA to Moderate

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

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

AND

[FINANCING ENTITY TRUSTEE] IN ITS CAPACITY AS TRUSTEE OF THE [FINANCING ENTITY]

AND

ONTARIO POWER GENERATION INC., AS FINANCIAL SERVICES MANAGER

AND

[NAME OF INDENTURE TRUSTEE], AS INDENTURE TRUSTEE

CHANGE OF LAW PROTECTION AGREEMENT

Dated as of [■], 2017

This **AGREEMENT**, among Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and the Minister of Finance (the "**Province**"), **[FINANCING ENTITY TRUSTEE]**, as the Financing Entity Trustee and in its capacity as trustee of the **[FINANCING ENTITY]**, a trust settled by the FSM under the laws of the Province of Ontario (the "**Financing Entity**"), Ontario Power Generation Inc. in its capacity as the Financial Services Manager in accordance with the Act (the "**FSM**") and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada, as Indenture Trustee and in its capacity as trustee for the in accordance with the Trust Indenture, is made and entered into as of [■], 2017.

RECITALS

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

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

Pursuant to a Declaration of Trust dated as of ■, 2017, the FSM [established] the Financing Entity as a "financing entity"[1] (as defined in the Act) for the purposes contemplated in the Act.

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

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

OPG and the Province will concurrently enter into the Process Agreement, under which OPG will agree to perform certain related activities and to provide certain assurances on which the Province will rely, including for the purposes of determining whether the Adherence

[1] Note to Draft: Consideration is being given by MOE to possible changes to the Regulation to accommodate the proposed use of a "trust", as a "financing entity".

Conditions have been satisfied in connection with the incurrence or amendment of an Approved Obligation and ensuring that the Province's assumption right may be exercised without impediment on the terms and conditions contemplated in this Agreement.

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

AGREEMENT OF THE PARTIES

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

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

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

(a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A;

(b) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;

(c) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;

(d) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;

(e) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;

(f) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

(g) all references in this Agreement to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits" and other subdivisions are to the designated Articles, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit or other subdivision;

(h) "including" and words of similar import will be deemed to be followed by "without limitation"; and

(i) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.02 Trustee to act in accordance with the Trust Indenture

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

1.03 Proof of Approved Obligations

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

Any statement of account prepared by the Indenture Trustee as regards the Primary Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due and payable by the Financing Entity to the Beneficiaries and/or the Indenture Trustee and the Province hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Indenture Trustee agrees to provide the Province with the computations and calculations used by the Indenture Trustee to prepare each such statement of account promptly following a request therefor.

1.04 Limitation on Rights of and Actions by Specified Creditors

Specified Creditors, as Beneficiaries, shall not have or be permitted to exercise any rights, interests, or elections under this Agreement, other than in the manner and to the extent effected and exercised through the Indenture Trustee under, in accordance with and subject to the limitations set forth in the Trust Indenture. No Specified Creditor will have any right to institute any proceeding, judicial or otherwise, with respect to this Agreement.

1.05 Province Retains Rights of Beneficiaries

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

1.06 Effect of Headings

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

1.07 Successors and Assigns

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

1.08 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.09 Governing Law

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

1.10 Proceedings Against the Crown Act

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

1.11 Attornment

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

1.12 Counterparts; Electronic Delivery

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

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

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

1.14 Non-Business Days

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

1.15 Waiver, Amendment

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

1.16 Interest Act

For the purpose of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest to which any rate of interest payable under this Agreement that is calculated on any basis other than a full calendar year is equivalent may be determined by multiplying such rate by a fraction, the numerator of which is the actual number of days in the calendar year in which such

yearly rate of interest is to be ascertained and the denominator of which is the number of days comprising such other basis. The parties further agree that for the purposes of the *Interest Act* (Canada), (a) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement, and (b) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

1.17 Currency

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

1.18 References to Acts of the Financing Entity Trustee

For greater certainty, where any reference is made in this Agreement, or in any other instrument executed pursuant hereto or contemplated hereby to which the Financing Entity or the Financing Entity Trustee, as trustee of the Financing Entity, is party, to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to (i) the Financing Entity or (ii) the Financing Entity Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to, the Financing Entity Trustee as trustee of the Financing Entity.

1.19 Judgment Currency

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

(b) The term "rate of exchange" in this Section 1.18 means the spot rate at which the Indenture Trustee, in accordance with normal practice, is able on the relevant date to purchase the Original Currency with the Second Currency and includes any premium and costs of exchange payable in connection with such purchase.

ARTICLE II
AGREEMENT TO PERFORM APPROVED OBLIGATIONS

2.01 Limited Guarantee

(a) Upon the occurrence of a Protection Event, the Indenture Trustee may provide a written demand, in the form attached as Exhibit A (a "**Payment Demand**") to the Province requiring the Province to pay the Approved Obligations owing from time to time by the Financing Entity to the Indenture Trustee as and when they become due and payable, without Acceleration. A Payment Demand will not be valid with respect to an Approved Obligation until the amount claimed becomes due and payable in respect of the Approved Obligation (without Acceleration) in accordance with the Trust Indenture and has not otherwise been paid by the Financing Entity.

(b) Following receipt of a valid Payment Demand under Subsection 2.01(a), the Province shall pay the amounts owing by the Financing Entity to the Indenture Trustee, on behalf of the applicable Beneficiaries, in respect of each Approved Obligation[2], in each case as and when the Approved Obligation becomes due and payable in accordance with its terms and on its scheduled, specified or determined payment date, as determined without regard to any Acceleration or rights of Acceleration arising under the Approved Obligation, in each case by the Province depositing or causing the deposit of the applicable payment amount into the Collection Account (the "**Limited Guarantee**"). For greater certainty, the Limited Guarantee will not apply to any amount or obligation of the Financing Entity that is not or does not arise under an Approved Obligation, including (i) any amounts that are or become payable as a result of the exercise of an option of the Financing Entity following a Protection Event, and [(ii) amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account, Finance Reserve Account or a Supplemental Reserve Account.][3]

[2] Note: Under Subsection 5(3) of the Act, the Province can guarantee only obligations "associated with an investment interest". The guarantee in Section 2.01 of the draft agreement guarantees "Approved Obligations" which in turn relies on the definition of Primary Obligations. The connection between a Primary Obligation and an "investment interest" is therefore crucial. Unfortunately, the nexus is not straightforward. Blakes is considering how to more precisely connect these concepts.

[3] Note: OFA to confirm whether the Limited Guarantee will extend to require the Province to fill sinking fund and collateral accounts during the period when the Province is required to make payments. If not, then we will need to consider the impact on ratepayers and the potential impact on the CEA calculations, which will have been based originally on these deposits being made during particular reference periods.

(c) Except as expressly provided in this Agreement, the Province's obligation to provide and perform the Limited Guarantee shall be irrevocable, absolute and unconditional.

(d) Any amount payable by the Province under the Limited Guarantee in respect of an Approved Obligation that is not paid when required herein shall bear interest from the applicable due date until paid in full at the rate or rates expressed to be payable on the Approved Obligation.

(e) The right to deliver a Payment Demand and thereupon enforce the Limited Guarantee shall constitute the only remedy available to the Indenture Trustee under this Agreement. Under no circumstances shall the Province be obligated to pay or indemnify the Indenture Trustee or any Beneficiary for consequential, special or punitive damages, or for economic loss or loss of profits.

2.02 Gross-up

[All amounts payable by the Province under this Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Province is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Province shall deposit into the Collection Account such additional amount as is necessary to ensure that the Indenture Trustee receives (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise due and payable in respect of the related Approved Obligation, net of any such taxes, charges, fees, levies, duties or withholdings.][4]

2.03 Absence of Set-off

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

2.04 Payment into Collection Account in Satisfaction

Notwithstanding the priority of payment requirements set forth in the Trust Indenture and any legal rule concerning the imputation of payments, the Indenture Trustee shall apply the full amount paid by the Province into the Collection Account in respect of an Approved Obligation to pay the corresponding amount due and payable to the applicable Beneficiaries under the Approved Obligation.[5] Upon a payment having been made by or on behalf of the Province into

[4] Province to advise on extension of a tax gross up. We assume this is necessary, although we have not discussed it specifically and it may be that we delete this provision on the basis that the determination of a tax gross up (and the Province's liability for it) will be based on the inclusion of that concept in the Trust Indenture itself.

[5] Note: This will need to operate in tandem with the Trust Indenture waterfall. The idea is that the Approved Obligations may not necessarily follow the sequence of the "payment waterfall" included in the Trust Indenture, and so amounts from the Province would need to operate independently. To be discussed with Torys.

the Collection Account in respect of an Approved Obligation, the amount so paid shall for all purposes be considered to have been applied to pay the applicable Beneficiaries and thereby reduce the amount due and payable under the Approved Obligation, whereupon an affected Beneficiary shall have no continuing rights, interests or entitlements (including rights as a secured party) in respect of the Approved Obligation to the extent so paid[6].

2.05 Certain Waivers

The Province hereby waives:

(a) any requirement, and any right to require, that any power be exercised or any action be taken against the Financing Entity or any Collateral for any of the Approved Obligations;

(b) all notices which may be required by applicable law to preserve any rights against the Province hereunder, including any notice of default, demand, dishonour, presentment and protest;

(c) diligence; and

(d) any defence based upon, arising out of or in any way related to any claim that any election of remedies by the Beneficiaries impaired, reduced, released or extinguished any rights that the Province might otherwise have had against the Financing Entity or any other surety.

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

2.06 Additional Security

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

2.07 Continuing Liability of the Province

The Approved Obligations shall be deemed not to have been paid, observed or performed, and the liability of the Province hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Financing Entity, or out of the proceeds of any Collateral, is recovered from or reimbursed by or for the account of any of the Beneficiaries for any reason, including a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the

[6] Note: Consider if Beneficiary rights under Obligations Secured can in fact be affected in this way under an agreement to which a Beneficiary is not directly a party. To achieve a binding relationship, a corresponding provision should appear in the Trust Indenture, to the effect that the Beneficiaries will be deemed to be bound by the Indenture Trustee insofar as the Beneficiaries rights against the financing entity are to be affected.

Approved Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by any of the Beneficiaries (whether or not consented to by the Financing Entity or the Province) of any claim for any such recovery or payment over.

2.08 Continuance of the Limited Guarantee

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

2.09 Modifications of Approved Obligations

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

(a) accept new, additional or replacement instruments, documents, agreements or security in connection with all or any part of the Approved Obligations;

(b) accept partial payments on the Approved Obligations; and

(c) waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Approved Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Indenture Trustee (for the benefit of the Beneficiaries) in its discretion may determine,

provided, however, that the Indenture Trustee shall not permit any change, modification, alteration, amendment, supplement, extension, renewal, compromise, novation, replacement, suspension or waiver of the terms of all or any part of the Approved Obligations or any Collateral therefor expect with the prior written consent of the Province having first been obtained.

ARTICLE III
THE INDENTURE TRUSTEE

3.01 The Indenture Trustee

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

3.02 Acceptance of Trusts

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

ARTICLE IV
APPROVED OBLIGATIONS

4.01 Approval Process

A Primary Obligation shall constitute an Approved Obligation if (a) the Adherence Conditions applicable thereto have been satisfied; or (b) the Province has specifically approved in writing the particular terms, conditions and documentation for the Primary Obligation.

4.02 Adherence Conditions

The following shall be the Adherence Conditions applicable in relation to a Primary Obligation:

(a) the Primary Obligation is contemplated under the Trust Indenture as an Obligation Secured;

(b) if the Primary Obligation is a [borrowing][7], at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments[8] under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations,[9] do not exceed the Protection Agreement Maximum;

(c) the FSM delivers a notice to the Indenture Trustee, with a copy to the Province, not less than ■ Business Days and not more than ■ Business Days prior to the incurrence or any amendment of the Primary Obligation, setting out the Protection Agreement Maximum;

(d) the FSM delivers a certificate signed by the Chief Financial Officer and the Treasurer of OPG (or their respective designees, provided that such designees are executive officers of OPG) and addressed to the Province and the Indenture Trustee, not less than ■ Business Days and not more than ■ Business Days prior

[7] Under consideration. Need to ensure that non-conventional instruments (capital rather than debt) are caught in the maximum test.

[8] Note: The concept of "repayments" under the OFHPA take account of contemplated refinancings. There is some risk that an anticipated refinancing would not manifest as contemplated, in which case the amount financed (and subject to the Limited Guarantee) could exceed the Protection Agreement Maximum and result in a balloon payment obligation.

[9] Note: If certain financing entity obligations are guaranteed under a one-off agreement, the interaction between the one-off guaranteed amount and Approved Obligations that are looked at to determine if incurrence of a new Primary Obligation is within the Protection Agreement Maximum will need to be considered.

to the incurrence or any amendment of the Primary Obligation, setting out the following with respect to the Primary Obligation:

i. if the Primary Obligation is a [borrowing], confirmation that, at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations, do not and will not exceed the Protection Agreement Maximum; and

ii. confirmation that the FSM has delivered to the Province a certificate in accordance with the Process Agreement confirming, among other things, that the transaction documents in respect of the Primary Obligation are in substantially the form of the documentation reviewed by the Province; and

(e) the Province has not provided notice to the Indenture Trustee that a Breach Event has occurred and that the Limited Guarantee does not apply to any further Primary Obligations that are incurred.[10]

4.03 Evidence of Satisfaction

A closing certificate signed by at least two executive officers of OPG in connection with an incurrence or amendment of a Primary Obligation shall be determinative as to whether the applicable Adherence Conditions with respect thereto have been satisfied, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defect or deficient, and such closing certificate may be relied upon by any addressee as conclusive evidence of same.

ARTICLE V
RIGHTS OF THE PROVINCE

5.01 Assignment and Subrogation

Upon paying an amount in respect of an Approved Obligation

(a) to or at the direction of the Indenture Trustee in satisfaction of the Limited Guarantee; or

(b) as a result of assuming the Financing Entity's obligations in respect of all Obligations Secured under Article VI,

the Province (in addition to and without prejudice to any rights it otherwise has in law or equity) shall be subrogated and entitled to all of the applicable Beneficiary's rights and interests under and in respect of the Approved Obligation to the extent of such payment, including (a) the right and entitlement to be paid and receive distributions of such amount by the Financing Entity in accordance with and in the priority applicable to the Approved

[10] NTD: Carve-out for re-financings of Approved Obligations already in existence is under consideration.

Obligation applicable in respect of the payment under the Trust Indenture, (b) the benefits of the related Collateral and (c) all proceeds therefrom. The Province shall have and be entitled to enforce all rights and interests (including as a secured party under the Trust Indenture) under such Approved Obligation as an absolute assignee of the applicable Beneficiary, with effect from and after the time of such payment, without any further requirement for notice to or acceptance by the Financing Entity of such absolute assignment and without any reduction, set-off or counterclaim on account of any amounts that may, at or after the time of payment, be or become owing by the Beneficiary to the Financing Entity and unaffected by any other rights or equities that arise thereafter as between the Beneficiary and the Financing Entity. The Indenture Trustee shall recognize the Province as being entitled to all of the rights, interests and entitlements of the Beneficiary (including, if applicable, as a Noteholder) in respect and to the extent of the Approved Obligation so paid, determined as of the time of payment, for all purposes under the Trust Indenture, and the Province shall be treated as a Specified Creditor in respect thereof for all purposes under the Trust Indenture and any other agreement under which the Approved Obligation arises.

5.02 Priorities

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

5.03 Voting Rights under "Outstanding Notes"

Notwithstanding the last three sentences of the definition of "Outstanding" in the Trust Indenture[11]:

(a) Notes in connection with Approved Obligations in respect of which the Province has rights and interest pursuant to Section 5.01 shall be regarded as "Outstanding" within the meaning of the Trust Indenture; and

(b) in determining whether Noteholders of the requisite principal amount of Notes that are Outstanding (as defined in the Trust Indenture) have taken any Action under the Trust Indenture, and for the purposes of Article X of the Trust Indenture, the Province shall be deemed to have the amount of Outstanding (as defined in the Trust Indenture) Notes in proportion to its interest in such Notes based on the amounts that the Province has paid in respect of Approved Obligations under this Agreement.

[11] Note: This concept should be reflected in the Trust Indenture to be effective. Additional scenarios where the Province's rights as an affiliate of OPG may differ from what is expected are to be identified in the underlying Program Agreements.

5.04 Province May Perform Other Program Agreement Covenants.

If the Financing Entity fails to perform any covenant under any Program Agreement, the Province may (but, except as expressly provided for under this Agreement, shall not be obligated to) perform such covenant on behalf of the Financing Entity. If the Province performs such a covenant on behalf of the Financing Entity, all sums expended or advanced by the Province in so performing the covenant will bear interest at the rate of interest determined by the Province to reflect market terms and conditions for a borrowing made by the Province at the relevant time from the date of expenditure until repayment by the Financing Entity [and will (together with such interest) be paid by the Financing Entity upon demand and will until paid form part of the Obligations Secured and constitute a Finance Amount.[12]

ARTICLE VIL
NOTICE OF ASSUMPTION OF OBLIGATIONS SECURED

6.01 Delivery of Assumption Notice

The Province may provide notice (in the form of Exhibit B) to the Indenture Trustee that, in accordance with the terms of the Process Agreement, the Province has elected to assume the Financing Entity's obligations in respect of all Obligations Secured, as obligor and debtor (the "**Assumption Notice**"). The Assumption Notice shall specify the date on which the assignment and assumption of the Obligations Secured will be effective (the "**Assumption Closing Date**").

6.02 Cooperation to Implement the Assignment and Assumption

The Indenture Trustee, the FSM, the Financing Entity and the Province will cooperate and use [commercially reasonable efforts] to complete the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province, by the Assumption Closing Date.[13]

6.03 Effect of Assumption

On the date that the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province becomes effective (the "**Assumption Effective Date**"), the Province shall no longer be required to provide and perform the Limited Guarantee.

6.04 Interim Period

Until the effective time of the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province on the Assumption Effective Date, the Province shall continue to perform and be obligated under the Limited Guarantee.

[12] Note: General Regulation must be revised such that "Finance Amount" picks up guarantor amounts. Under consideration by MOE.

[13] Note: Further details regarding obtaining of third party consents and rating agency approvals to be considered.

ARTICLE VII
INDENTURE TRUSTEE MATTERS

7.01 Limited Recourse

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

7.02 Not Responsible for Recitals or Issuance of Notes

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

7.03 Representations and Covenants of the Indenture Trustee

The Indenture Trustee represents, warrants and covenants that:

(a) the Indenture Trustee is a trust company organized, existing and in good standing under the laws of Canada;

(b) the Indenture Trustee has full power and authority to execute, deliver and perform this Agreement and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement and other documents to which it is a party;

(c) each of this Agreement and the other documents to which it is a party has been duly executed and delivered by the Indenture Trustee and constitutes its legal, valid and binding obligation in accordance with its terms; and

(d) the Indenture Trustee is authorized to carry on the business of a trust company in each of the provinces and territories of Canada.

7.04 Release of all Collateral

(a) The Indenture Trustee shall not execute instruments to release Collateral from the Security Interest of the Trust Indenture, or convey the Indenture Trustee's interest (which is held by the Indenture Trustee for the benefit of the Specified Creditors) in the same, unless and until the rights and interests of the Province under Section 5.01 or otherwise as an assignee of any of the Obligations Secured or as a

subrogee have been satisfied in full and the Province has no continuing obligations under this Agreement.

(b) The Province shall be entitled to receive at least 10 Business Days' written notice when the Indenture Trustee proposes to take any action pursuant to Subsection 7.04(a), accompanied by copies of any instruments involved.

7.05 Right to Notice and Attend Meetings

The Financing Entity shall ensure that the Province receives advance notice of any meeting or proposed written resolution of Specified Creditors (or any of them) and the Province and its legal advisers shall be permitted to attend and be represented at any meeting of such Specified Creditors.

ARTICLE VIII
SUSPENSION OF ADHERENCE FOR NEW PRIMARY OBLIGATIONS

8.01 Suspension Notice

A written notice in the form of Exhibit C (a "**Suspension Notice**"):

(a) shall be provided by the FSM to the Province and the Indenture Trustee promptly following the occurrence of a Program Breach; and

(b) may be provided by the Province to the Indenture Trustee, the FSM and the Financing Entity following the occurrence of a Breach Event.

8.02 Suspension

If a Suspension Notice has been provided under Section 8.01 (the provision of such notice being a "**Suspension Event**"), the Financing Entity shall not incur any new or additional Obligation Secured and shall not amend or terminate any existing Obligation Secured except with the prior written consent of the Province.

8.03 Termination Notice

On the occurrence of a Suspension Event, the Province may provide to the Indenture Trustee, the FSM and the Financing Entity a notice in the form of Exhibit D (a "**Termination Notice**").

8.04 No Impact on Adherence

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

ARTICLE IX
MISCELLANEOUS

9.01 Term of Agreement

This Agreement will continue until the later of:

(a) the date that no amount is or may become due and payable by the Province under the Limited Guarantee; and

(b) the date that a Termination Notice is received by the Indenture Trustee, the FSM and the Financing Entity.

9.02 Notices

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

(a) if to the Financing Entity:

[Financing Entity]
c/o Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]
Email: [■]

with copies to:

[Financing Entity Trustee], in its capacity as Financing Entity Trustee for
[Financing Entity]
[Address]
Attention: [■]

Fax: (416) [■]
Email: [■]

[■]

(b) if to the FSM:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]
Email: [■]

(c) if to the Province:

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

and

Ministry of Energy
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

(d) if to the Indenture Trustee:

[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

or to such other addresses as a party may from time to time notify the other parties in accordance with this Section 9.02.

9.03 Assignment

(a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties.

(b) Any purported assignment of this Agreement in violation of this Section 9.03 shall be null and void.

9.04 Enurement

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

9.05 FIPPA

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

9.06 Confidentiality

[Note: To be considered based on what would be customary and appropriate for similar types of arrangements and would be acceptable to the Province. Note that this Agreement will become part of the package of rights acquired by investors and counterparties and so it is unclear to what extent confidentiality can or should be preserved in these circumstances.]

9.07 No Petition

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

9.08 Force Majeure

In no event shall the Indenture Trustee or the Financing Entity Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Indenture Trustee and the Financing Entity Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

9.09 Delivery of Executed Copies

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

[Signature page to follow]

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

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

By: _____
Name:
Title:

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

By: _____
Name:
Title:

ONTARIO POWER GENERATION INC., AS FSM

By: _____
Name:
Title:

By: _____
Name:
Title:

[FINANCING ENTITY TRUSTEE], IN ITS CAPACITY AS FINANCING ENTITY TRUSTEE FOR [FINANCING ENTITY]

By: _____
Name:
Title:

[INDENTURE TRUSTEE], AS INDENTURE TRUSTEE AND NOT IN ITS INDIVIDUAL CAPACITY

By: _____
Name:
Title:

SCHEDULE A
DEFINED TERMS

"**Acceleration**" has the meaning ascribed to the term "acceleration"[14] in the General Regulation.

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

"**Action**" has the meaning ascribed thereto under the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

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

"**Assumption Closing Date**" has the meaning ascribed thereto in Section 6.01.

"**Assumption Effective Date**" has the meaning ascribed thereto in Section 6.03.

"**Assumption Notice**" has the meaning ascribed thereto in Section 6.01.

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

"**Breach Event**" means the occurrence or existence of any one or more of the following: (a) a default in the performance, or breach, of any covenants of OPG under the Process Agreement; or (b) any representation or warranty made by OPG, or any certification made by OPG under the Process Agreement, proves to be incorrect in any material respect on the date made; or (c) OPG is no longer the FSM, the Administrative Agent or the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove OPG as the FSM, the Administrative Agent or the Manager.

"**Business Day**" means (a) any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are [, or the office of the Indenture Trustee is,] authorized or obligated by applicable law, regulation or executive order to be closed.

"**Capital Account**" has the meaning ascribed to the term "capital account" in the General Regulation.

"**Change of Law Protection Agreement**" means this Agreement.

[14] Note: A proposal to add this concept into the Regulation is under consideration by MOE. Further modifications to follow, depending on that process.

"**Collateral**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

"**Collection Account**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

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

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

"**Finance Reserve Account**" has the meaning ascribed to the term "finance reserve account" in the General Regulation [as of the date of this Agreement].

"**Financing Entity**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Financing Entity Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Financing Entity at such time.

"**FSM**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act [as of the date of this Agreement].

"**General Regulation**" means O. Reg. 206/17 made under the Act.

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

"**IESO**" has the meaning ascribed thereto in the Act [as of the date of this Agreement].

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

"**Investment Interest**" has the meaning ascribed to the term "Investment Interest" in the Act [as of the date of this Agreement].

"**Legislature**" means the Legislature of the Province of Ontario.

"**Limited Guarantee**" has the meaning ascribed thereto in Section 2.01(b).

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, and acknowledged and accepted by the Indenture Trustee.

"**Note**" or "**Notes**" has the meaning ascribed thereto under the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Noteholder**" has the meaning ascribed thereto under the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Obligations Secured**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**OIC**" has the meaning ascribed thereto in the second paragraph of the recitals in this Agreement.

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

"**Original Currency**" has the meaning ascribed thereto in Section 1.18(a).

"**Payment Demand**" has the meaning ascribed thereto in Section 2.01(a).

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

"**Primary Obligations**" means any Obligation Secured that is a Funding Obligation, other than (a) any amounts that are or become payable as a result of the exercise of an option of the Financing Entity following a Protection Event; and [(b) any amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account, Finance Reserve Account, or Supplemental Reserve Account.][15]

"**Process Agreement**" means the Change of Law Process Agreement dated [■], 2017 between the Province and OPG.

[15] Note: Possible simplification of definition structure under consideration.

"**Program Agreements**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

"**Protection Agreement Maximum"** means the dollar amount determined by the Province and of which OPG is provided notice in accordance with the Process Agreement.[16]

"**Protection Event**" means the occurrence of any of the following events:

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

(ii) the Legislature enacts or amends any other statute;

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

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

(v) there is a change in the organization or structure of the IESO or Ontario's electricity market[17] undertaken at the initiative of the Province or an entity controlled by the Province,

in each case, that materially and adversely affects (a) the ability of the Financing Entity to receive amounts on its Investment Interest so that it can pay Obligations Secured, or (b) this Agreement or any of the agreements under which Obligations Secured arise, other than if the Indenture Trustee has confirmed in writing that the effect under such agreements is otherwise acceptable; or

(b) a court of competent jurisdiction [in a final and non-appealable judgement][18] determines that all or a portion of the Act or the regulations made under the Act, as in effect on the date hereof, is *ultra vires* or invalid in a way that materially and

[16] Note: An alternative would be to expressly state the Program Agreement Maximum amount and the process by which this amount is determined in this Agreement.

[17] Note: Consider more clarity to "Ontario's electricity market".

[18] Under consideration to assess the marketability implications of this phrase.

adversely affects the ability of the Financing Entity to receive amounts on its Investment Interest so that it can pay Obligations Secured.

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

"**Repayment**" has the meaning ascribed thereto in the General Regulation.

"**Second Currency**" has the meaning ascribed thereto in Section 1.18(b).

"**Security Interest**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Specified Creditors**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Supplemental Reserve Account**" has the meaning ascribed in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Suspension Event**" has the meaning ascribed thereto in Section 8.02.

"**Suspension Notice**" has the meaning ascribed thereto in Section 8.01.

"**Termination Notice**" has the meaning ascribed thereto in Section 8.03.

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

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

EXHIBIT A
FORM OF PAYMENT DEMAND

EXHIBIT B
ASSUMPTION NOTICE

EXHIBIT C
SUSPENSION NOTICE

EXHIBIT D
TERMINATION NOTICE

Internal Draft: November 2, 2017

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

AND

ONTARIO POWER GENERATION INC.

CHANGE OF LAW PROCESS AGREEMENT

Dated as of [■], 2017

This **CHANGE OF LAW PROCESS AGREEMENT**, between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the "**Province**"), and Ontario Power Generation Inc. ("**OPG**"), is made and entered into as of [■], 2017.

RECITALS

OPG is appointed as the Financial Services Manager under Section 18 of the *Ontario Fair Hydro Plan Act, 2017* (the "**Act**").

Pursuant to Section 22(2) of the Act, OPG, in its capacity as the Financial Services Manager (the "**FSM**"), may establish or cause to be established one or more financing entities (as defined in the Act), which may incur Funding Obligations in accordance with the Act.

Pursuant to a Declaration of Trust dated as of ■, 2017, the FSM [established] the Financing Entity as a "financing entity" (as defined in the Act) for the purposes contemplated in the Act.

Concurrent with this Agreement, the Province, the FSM, the Financing Entity and the Indenture Trustee will enter into the Change of Law Protection Agreement under which the Province will agree to provide protections and assurances to the Indenture Trustee, for the benefit of the Beneficiaries, in respect of Obligations Secured that constitute Approved Obligations, in order to address concerns that would arise from a change or adverse determination of law, subject in each case to the satisfaction of the Adherence Conditions at the time the Approved Obligation is incurred or amended.

This Agreement sets out the obligations OPG has agreed to perform and assurances OPG has agreed to provide and on which the Province will rely in entering into and implementing the Change of Law Protection Agreement, including for the purposes of determining whether the Adherence Conditions have been satisfied in connection with the incurrence or amendment of an Approved Obligation, maintaining information related to the Program Agreement and the Approved Obligations, and ensuring that the Province's assumption rights pursuant to Article VI of the Change of Law Protection Agreement may be exercised without impediment on the terms and conditions contemplated in this Agreement and the Change of Law Protection Agreement.

All things necessary to make this Agreement a valid and legally binding agreement of OPG, and of the Province in accordance with the Act and the OIC, have been done.

AGREEMENT OF THE PARTIES

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

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

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

(a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A;

(b) the terms used in this Agreement that are not defined in this Agreement shall have the meanings assigned to them in the Change of Law Protection Agreement;

(c) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;

(d) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;

(e) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;

(f) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;

(g) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

(h) all references in this Agreement to designated "Sections", "Subsections" "Schedules", "Exhibits" and other subdivisions are to the designated, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, Subsection, Schedule, Exhibit or other subdivision;

(i) "including" and words of similar import will be deemed to be followed by "without limitation"; and

(j) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.02 References to the Financing Entity or the Financing Entity Trustee

For greater certainty, each reference to the Financing Entity or to the Financing Entity Trustee shall be construed as a reference to the Financing Entity Trustee, as trustee of the Financing Entity.

1.03 Effect of Headings

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

1.04 Successors and Assigns

All covenants and agreements in this Agreement by the parties will bind their respective successors and permitted assigns, whether so expressed or not.

1.05 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.06 Governing Law

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

1.07 Proceedings Against the Crown Act

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

1.08 Attornment

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

1.09 Counterparts; Electronic Delivery

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

1.01 Change of Law Process Agreement Referred to in the Change of Law Protection Agreement

This Agreement is the "Change of Law Process Agreement" referred to in the Change of Law Protection Agreement.

1.10 Non-Business Days

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

1.11 Waiver, Amendment

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

ARTICLE II
COVENANTS OF OPG

2.01 Deliveries to the Province

(a) Not less than ■ Business Days prior to the initial issuance of any Funding Obligation by the Financing Entity, OPG shall deliver to the Province a copy of

the initial Financing Plan. Thereafter, OPG shall promptly deliver to the Province a copy of any proposed change to or replacement of the Financing Plan.

(b) Not less than ■ Business Days prior to the initial issuance of any Funding Obligation by the Financing Entity, OPG shall deliver to the Province an analysis and assessment of the tax position of the Financing Entity. Thereafter, OPG shall promptly deliver to the Province a copy of any proposed change to or replacement of such analysis and assessment.

(c) Not less than ■ Business Days prior to any proposed change, addition or supplement to a Transaction Document becoming effective or otherwise being used, OPG shall deliver to the Province a copy of such proposed change, addition or supplement to the Transaction Document.

(d) Promptly following any incurrence of a Funding Obligation or any amendment of a Funding Obligation, OPG shall provide the Province with electronic copies of all related Governing Documents and all other closing documents executed by or on behalf of the Financing Entity in connection with such incurrence or amendment that would affect the Financing Entity's assets or obligations (including, for greater certainty, any related Disclosure Document).

(e) Promptly upon request, OPG shall provide the Province with such additional information and documentation as the Province requests in order to enable the Province to assess the nature and extent of its obligations under the Change of Law Protection Agreement.

(f) OPG shall, as the FSM, cause the Financing Entity to deliver to the Province copies of the Financing Entity's annual tax returns and any related tax assessment not more than ■ Business Days after such a tax return or tax assessment is required to be filed under applicable law.[1]

2.02 Covenants

(a) OPG shall, as the FSM, cause the Financing Entity to:

(i) punctually perform and observe all of its obligations and agreements contained in the Program Agreements;

(ii) ensure that all Obligations Secured are incurred pursuant to and in accordance with the terms and conditions of the Trust Indenture;

(iii) ensure that no obligations other than the Obligations Secured are incurred by or on behalf of the Financing Entity;

[1] Note: The tax documents to be provided to the Province are under consideration.

(iv) not engage in any business other than as permitted under the Declaration of Trust or the other Program Agreements and activities ancillary thereto; and

(v) not, without the prior written consent of the Province:

(A) amend, supplement, modify, restate or replace or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to any of the Program Agreements, if any such supplementation, amendment, modification, restatement or replacement or waiver or consent could reasonably be considered to be materially prejudicial to the rights or interests of the Province under the Change of Law Protection Agreement;

(B) consent to the resignation of (1) the Administrative Agent under the Administrative Services Agreement; or (2) the Manager under the Management Agreement;

(C) consolidate or merge with or into any other Person;

(D) permit the validity or effectiveness of the Change of Law Protection Agreement to be impaired;

(E) permit any Lien (other than the Security Interest) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the proceeds thereof;

(F) sell, transfer, exchange or otherwise dispose of any of the Collateral, other than as expressly permitted by the Trust Indenture;

(G) release any security or guarantee in respect of the Collateral other than as expressly permitted by the Trust Indenture; or

(H) voluntarily dissolve or liquidate.

(b) OPG shall:

(i) comply, and as the FSM cause compliance by the Financing Entity, with the Act, the General Regulation and any other enactment related thereto;

(ii) promptly notify the Province of the creation of any Funding Obligation that is not or would not be an Approved Obligation;

(iii) after the occurrence of any Protection Event (or any event that with the passage of time or the giving of notice would be a Protection Event), not, without the Province's prior written consent, permit the Financing Entity to exercise any redemption, pre-payment, early termination or extension

right in respect of any Approved Obligation or exercise any other election or privilege in respect of any Approved Obligation, in each case if as a result the obligations applicable to the Approved Obligation under this Agreement would be accelerated, delayed or otherwise affected; and

(iv) ensure that any disclosure (including any Disclosure Document) that refers to or describes the terms, effect or adherence of or to this Agreement will be subject to the prior review of the Province and such disclosure will not be made (and any such Disclosure Document shall not be used) without the prior written consent of the Province.

ARTICLE III
PROCESS CERTIFICATE

3.01 Process Certificate

OPG shall deliver a certificate (the "**Process Certificate**"), signed by the Chief Financial Officer and the Treasurer of OPG (or their respective designees, provided that such designees are also executive officers of OPG) and addressed to the Province, not less than ■ Business Days prior to the incurrence or any amendment of a Primary Obligation, setting out the following with respect to the Primary Obligation:

(a) the material terms of the Funding Obligations pertaining to principal amount, pricing and third party fees;[2]

(b) if an existing Primary Obligation is proposed to be amended, material details respecting such amendment and the anticipated effect of the amendment on or in relation to the affected terms and conditions of the Primary Obligation, including regarding the applicable details set forth in Subsection 3.01(a), as the context requires;

(c) a statement that: (i) the Primary Obligation to be incurred or amended (1) will arise under terms and conditions that are Substantially in the Form of the Reviewed Documentation applicable thereto; (2) in the opinion of the signatories to the Process Certificate, are reasonably incurred in compliance with the Act, the General Regulation, any other enactments related thereto and the applicable Financing Plan; (3) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and (4) reflect, in all material respects, arm's length terms and conditions; and (ii) any Disclosure Document used in connection with the offering and sale of notes, bonds or other securities is Substantially in the Form of the Reviewed Documentation;

[2] Note: Level of detail required by the Province is under consideration. Province to consider whether it would like further details regarding Principal Obligations, Redemption Obligations, Interest Obligations, Hedging Obligations, Third Party Expense Obligations or Other Funding Obligations. In desirable, particulars regarding Hedging Obligations and the market in which notes are issued to be considered.

(d) a statement that no Breach Event has occurred on or prior to the date of the Process Certificate, unless such Breach Event has been waived by the Province in writing; and

(e) if the Primary Obligation is a [borrowing], confirmation that, at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations, do not and will not exceed the Protection Agreement Maximum.

3.02 Acknowledgment

The parties acknowledge that the Process Certificate is the certificate referred to in Subsection 4.02(d)(ii) of the Change of Law Protection Agreement.

3.03 Meaning of "Reviewed Documentation"

For the purposes of Subsection 3.01(c), the term "Reviewed Documentation" shall mean each Transaction Document (including any change, addition or supplement thereto) that, at the relevant time:

(a) has been provided to the Province in accordance with Subsection 2.01(c); and

(b) has been accepted by the Province, as confirmed by way of a written notice of acceptance from the Province delivered to OPG.

3.04 Meaning of "Substantially in the Form"

For the purposes of Subsection 3.01(c), the term "Substantially in the Form" shall mean:

(a) with respect to the Reviewed Documentation referred to in clauses (i) to (xi) of the definition of "Transaction Documents", that there are no differences between the proposed documents and such Reviewed Documentation that could result in a change in the material terms or conditions applicable to the applicable Primary Obligation, including regarding the timing of or circumstances under which related payments are or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization), or that would affect the Province's rights of subrogation or assignment (including pursuant to Section 5.01 of the Change of Law Protection Agreement) or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation;

(b) with respect to the Reviewed Documentation referred to in clauses (v) to (ix) of the definition of "Transaction Documents", and, where applicable, clauses (x) and (xi) of the definition of "Transaction Documents" as the context requires, that the variable terms to be set forth in the proposed documents are as reasonably contemplated in the Reviewed Documentation, as to the type, scope and extent of

the Primary Obligations arising thereunder and as to the timing, conditions and circumstances in which payment obligations under such Primary Obligations may arise, but without regard to the particular financial terms, rates and levels set forth in the proposed documents other than to the extent that the forms of Reviewed Documentation themselves specify specific requirements, limitations or parameters with respect to such financial terms, rates, levels and parameters; and

(c) with respect to the Reviewed Documentation referred to in clause (xii) of the definition of "Transaction Documents", that there are no material differences between the form and substance of the proposed Disclosure Document and such form of Disclosure Document and that the proposed disclosure document complies in all material respects with all securities disclosure requirements relating to the Primary Obligation subject to distribution thereunder.

ARTICLE IV
PROTECTION AGREEMENT MAXIMUM

4.01 Protection Agreement Maximum

(a) The initial Protection Agreement Maximum shall be determined by the Province prior to the initial issuance of the first Funding Obligation. The initial Protection Agreement Maximum will be confirmed by the Province by notice in writing to OPG, as the FSM.

(b) Not less than ■ Business Days prior to the proposed incurrence of the first Funding Obligation, OPG shall, as the FSM, deliver to the Province a forecast setting out OPG's expectations regarding the aggregate maximum amount of Repayments that would arise in the future under Approved Obligations to be incurred during the next following 24 month period (the "**Initial Forecast Period**"), which expectations shall be consistent with the applicable Financing Plan (the "**Initial Forecast**"). In determining the initial Protection Agreement Maximum, the Province may have regard to (but not be bound by) the Initial Forecast.

(c) Between nine (9) and twelve (12) months prior to the end of the Initial Forecast Period, OPG shall, as the FSM, deliver to the Province an updated forecast setting out the sum of (1) the aggregate amount of Repayments that will arise in the future under Approved Obligations that are then outstanding and (2) OPG's expectations regarding the aggregate maximum amount of Repayments that would arise in the future under Approved Obligations to be incurred during the period ending 24 months following the Initial Forecast Period, which expectation shall be consistent with then applicable Financing Plan. Such updated forecast shall be further updated on a similar basis with respect to each successive 24 month period or more frequently if at any time OPG has knowledge that the most recent forecast is materially inaccurate (the Initial Forecast and each such updated forecast, each a "**Forecast**").

(d) Upon receiving an updated Forecast, the Province shall determine whether or not the Protection Agreement Maximum will be revised. In determining whether the Protection Agreement Maximum will be revised, the Province may have regard to (but not be bound by) such updated Forecast. Any determination by the Province to revise the Protection Agreement Maximum will be confirmed by setting out a new Protection Agreement Maximum in a written notice from the Province to the FSM and the Indenture Trustee, the delivery of which will be conclusive evidence that such new Protection Agreement Maximum will apply until it may be further so revised.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

5.01 Representations and Warranties of OPG

OPG represents and warrants that on the date hereof and on each day that a Primary Obligation is incurred or amended:

(a) The Financing Entity is a trust duly constituted and validly existing under the laws of the Province of Ontario, is duly qualified to carry on its business in each jurisdiction in which it carries on business, and has the power and authority to perform the acts that OPG, as the FSM, shall cause it to perform pursuant to this Agreement and to own its property and carry on its business in accordance with the Program Agreements.

(b) OPG is a corporation duly constituted and validly existing under the laws of the Province of Ontario, is duly qualified to carry on its business in each jurisdiction in which it carries on business, has the power and authority to enter into and perform its obligations under this Agreement and all instruments and agreements delivered pursuant hereto and to own its property and carry on its business as currently conducted.

(c) OPG has been validly appointed, and has irremovably accepted such appointment, as the FSM in accordance with the Act. OPG has the power and authority to enter into and perform its obligations as the FSM under the Program Agreements and all instruments and agreements delivered pursuant thereto.

(d) The execution, delivery and performance of this Agreement and every instrument or agreement delivered pursuant hereto or in its capacity as the FSM has been or will be duly authorized by all requisite action by OPG and constitute a valid and binding obligation of OPG enforceable against OPG in accordance with its terms subject to (i) applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally, and (ii) equitable principles which may limit the availability of certain remedies, including the remedy of specific performance.

(e) There are no actions, suits or proceedings pending or, to the knowledge of OPG, threatened against or affecting OPG (including in its capacity as the FSM) or the

Financing Entity at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of OPG or the Financing Entity or in the ability of OPG or the Financing Entity to perform their respective obligations under the Program Agreements.

(f) There are no actions, suits or proceedings pending or, to the knowledge of OPG, threatened against or affecting OPG at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of OPG or in the ability of the OPG to perform its obligations under this Agreement or the Program Agreements.

(g) The performance by the Financing Entity of the Program Agreements does not conflict with, will not conflict with, does not result in, and will not result in, any breach of, and does not constitute, a default under, the Declaration of Trust or any agreements or instruments to which the Financing Entity is a party or by which it or any of its property and assets are bound.

(h) Neither the execution nor delivery of this Agreement, the Program Agreements nor any agreements or instruments delivered pursuant hereto or thereto, the consummation of the transactions herein or therein, nor compliance with the terms, conditions and provisions hereof or thereof conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under, any of the provisions of the constating documents of OPG or any agreements or instruments to which OPG is a party or by which it or any of its property and assets are bound.

(i) No consent, approval or authorization of, or declaration, registration, filing or qualification with, or giving of notice to, or taking of any other action in respect of, any Governmental Authority on the part of OPG is required in connection with the execution and delivery of this Agreement, the Program Agreements or any agreements or instruments delivered pursuant hereto or thereto or the consummation of any of the transactions contemplated hereby or thereby or in connection with the enforcement of this Agreement, the Program Agreements or any agreements or instruments delivered pursuant hereto or thereto, except those which have been obtained.

ARTICLE VI
ELECTION TO ASSUME APPROVED OBLIGATIONS

6.01 Election by the Province

At any time following the occurrence of a Protection Event, the Province may (but shall not be obligated) to elect to assume the Financing Entity's obligations in respect of all Obligations Secured, as obligor and debtor. To make such election, the Province shall duly

complete and deliver to OPG a notice in the form of Exhibit A (an "**Election Notice**"), which in turn will set forth the form of agreement (an "**Assumption Agreement**") setting forth the material terms and conditions under which the Province would assume and become obligated under each of the Obligations Secured. The Election Notice shall, among other things, specify the date on which the Province proposes to assume the Obligations Secured, which date shall be no earlier than 20 Business Days following delivery of the Election Notice to OPG (the "**Proposed Assumption Date**").

6.02 Details regarding Obligations Secured

Promptly following the delivery of the Election Notice to OPG, OPG shall provide the following information and documentation to the Province:

(a) a summary of the amounts that will be owing under all Obligations Secured as of the Proposed Assumption Date, together with a detailed schedule setting out the dates on which such amounts will become due and payable under the Obligations Secured;

(b) a summary of the rights arising under the Obligations Secured that permit the Financing Entity to assign the Obligations Secured to the Province, including details regarding any conditions precedent to such assignment and the related assumption becoming effective and any notices, filings, consents or other actions that will be required in order to implement and effect such assignment and assumption;

(c) current versions of all documentation under which the Obligations Secured arise;

(d) copies of all correspondence exchanged between OPG, as the FSM, or the Financing Entity, on the one hand, and any Specified Creditor, Rating Agency or the Indenture Trustee, on the other hand, in each case that may reasonably be considered to be material to the assumption and performance of the Obligations Secured by the Province;

(e) all income tax returns and assessments, financial statements and notices of proceedings of or pertaining to the Financing Entity or its business and any documentation related thereto, including any pleadings, appeals, objections, qualifications or other similar materials in respect of the Financing Entity or any Program Agreement; and

(f) a draft version of the Assumption Agreement prepared in relation to each Obligation Secured, prepared in accordance with and having regard to the requirements of the relevant agreement(s) under which the Obligation Secured arises.

6.03 Settlement of Terms

Within ■ Business Days following receipt by the Province of the information and documentation to be provided under Section 6.02, the Province shall confirm in writing whether

or not it will proceed with the assignment and assumption of the Obligations Secured and, if it will be proceeding with the assignment and assumption, the date on which the Province intends that assignment and assumption will be effected, which may not be earlier than the Proposed Assumption Date. If it will be proceeding with such assignment and assumption, the Province will deliver an Assumption Notice as contemplated under Section 6.01 of the Change of Law Protection Agreement, which will specify such date as the "Assumption Closing Date" for the purposes thereof.

6.04 Cooperation to Implement the Assignment and Assumption

OPG shall cooperate with the Province and, as FSM, will cause the Financing Entity to cooperate to complete the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province, by the applicable Assumption Closing Date.[3]

6.05 Terms of Obligations Secured

In order to permit the Province to assume the Obligations Secured in the circumstances contemplated herein, OPG will, and as FSM, will cause the Financing Entity to, ensure that all Obligations Secured permit such an assignment to and assumption by the Province substantially in accordance with the terms and on the basis contemplated in the Assumption Agreement, without any penalty or make-whole payment, or any requirement for further consent, approval or agreement, or alternatively, in the case of any Obligations Secured entered into by or on behalf of the Financing Entity for the provision of on-going services to the Financing Entity, permitting the satisfaction and termination of such Obligations Secured on or prior to the effective time of such assumption without any acceleration of future fees, profits or other like amounts.[4]

ARTICLE VII
BREACH EVENTS

7.01 Breach Events

"**Breach Event**" shall mean the occurrence or existence of any one or more of the following:

(a) a default in the performance, or breach, of any covenants of OPG under this Agreement (including in respect of its role as FSM under any Program Agreement;

(b) any representation or warrant made by OPG in this Agreement, or any certification made in a Process Certificate, proves to be incorrect on the date made; or

[3] Note: Further details regarding obtaining of third party consents and rating agency approvals to be considered.

[4] Note: The Trust Indenture will need to include a clause providing that the obligations of the Financing Entity to the Indenture Trustee and the Noteholders may be assigned to the Province in accordance with an assumption agreement, substantially in the form set out in an exhibit to the Trust Indenture.

(c) OPG is no longer the FSM, the Administrative Agent or the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove OPG as the FSM, the Administrative Agent or the Manager.

7.02 Notice on Breach Event

If any Breach Event shall have occurred and not been waived in writing by the Province, the Province shall have the right, upon written notice to OPG at its option, and in addition to and not in substitution for any other remedies available hereunder at law or equity, to provide notice to the Indenture Trustee that a Breach Event has occurred and, in accordance with the Change of Law Protection Agreement, that the Limited Guarantee does not and will not apply to any Primary Obligations that may thereafter be incurred or amended by or on behalf of the Financing Entity.[5]

ARTICLE VIII
MISCELLANEOUS

8.01 Term of Agreement

This Agreement will continue for the term of the Change of Law Protection Agreement.

8.02 Notices

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

(a) if to OPG:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]

[5] NTD: Carve-out for re-financings of Approved Obligations already in existence is under consideration.

Email: [■]

(b) if to the Province:

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

and

Ministry of Energy
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

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

8.03 Assignment

(a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties.

(b) Any purported assignment of this Agreement in violation of this Section 8.03 shall be null and void.

8.04 Enurement

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

8.05 FIPPA

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

8.06 Confidentiality

[Note: To be considered based on what would be customary and appropriate for similar types of arrangements and would be acceptable to the Province.]

8.07 Delivery of Executed Copies

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

[Signature page to follow]

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

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

By: _____

Name:
Title:

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

By: _____

Name:
Title:

ONTARIO POWER GENERATION INC.

By: _____

Name:
Title:

By: _____

Name:
Title:

Each of the undersigned hereby acknowledge the foregoing as of the day and year first above written.

[FINANCING ENTITY TRUSTEE], IN ITS CAPACITY AS FINANCING ENTITY TRUSTEE FOR [FINANCING ENTITY]

By: _____
Name:
Title:

[INDENTURE TRUSTEE], AS INDENTURE TRUSTEE AND NOT IN ITS INDIVIDUAL CAPACITY

By: _____
Name:
Title:

SCHEDULE A
DEFINED TERMS

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

"**Adherence Conditions**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

["**Administrative Agent**" means OPG, in its capacity as administrative agent of the Financing Entity under the Administrative Services Agreement.]

["**Administrative Services Agreement**" means the administrative services agreement dated [■], 2017 between the Financing Entity and the Administrative Agent concerning the reimbursement of certain costs incurred by the Administrative Agent in connection with the administration of the Financing Entity.][6]

"**Approved Obligation**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Assumption Agreement**" has the meaning ascribed thereto in Section 6.01.

"**Assumption Closing Date**" has the meaning ascribed thereto in Section 6.03.

"**Beneficiaries**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Breach Event**" has the meaning ascribed thereto in Section 7.01.

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

"**Capital Account**" has the meaning ascribed to the term "capital account" in the General Regulation.

"**Change of Law Protection Agreement**" means the Change of Law Protection Agreement dated [■], 2017 among the Province, the Financing Entity, the FSM and the Indenture Trustee.

"**Collateral**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Financing Entity and any other owner or owners of an Investment Interest as contemplated by Subsection 29(5) of the Act.

[6] Note: To be confirmed if required.

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

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

"**Disclosure Document**" means a disclosure document (including any offering circular, prospectus or other investor disclosure statement) describing the material terms of the notes, bonds or securities to be issued pursuant to a supplemental indenture under the Trust Indenture, together with any related material information;

"**Election Notice**" has the meaning ascribed thereto in Section 6.01.

"**Finance Reserve Account**" has the meaning ascribed to the term "finance reserve account" in the General Regulation [as of the date of this Agreement].

"**Financing Entity**" means [■], a trust settled by the FSM under the laws of the Province of Ontario and under which the Financing Entity Trustee is the trustee.

"**Financing Entity Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Financing Entity at such time.

"**Financing Plan**" has the meaning ascribed thereto in the Act.

"**Forecast**" has the meaning ascribed thereto in Section 4.01(c).

"**FSM**" has the meaning ascribed thereto in the second paragraph of the recitals of this Agreement.

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act.

"**General Regulation**" means O. Reg. 206/17 made under the Act.

"**Governing Document**" has the meaning ascribed to the term "governing document" in the General Regulation.

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

"**IESO**" has the meaning ascribed thereto in the Act.

"**Indenture Trustee**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Initial Forecast**" has the meaning ascribed thereto in Section 4.01(b).

"**Initial Forecast Period**" has the meaning ascribed thereto in Section 4.01(b).

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act.

"**Legislature**" means the Legislature of the Province of Ontario.

"**Lien**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Limited Guarantee**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

["**Management Agreement**" means the management agreement dated [■], 2017 between the Manager and the Financing Entity.]

["**Manager**" means OPG, in its capacity as manager of the Financing Entity under the Management Agreement.][7]

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, and acknowledged and accepted by the Indenture Trustee.

"**Obligations Secured**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**OPG**" has the meaning ascribed thereto in the first paragraph of this Agreement.

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

"**Primary Obligations**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Process Certificate**" has the meaning ascribed thereto in Section 3.01.

"**Program Agreements**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

[7]Note: To be confirmed if required. Also note that the draft Trust Indenture refers to OPG as the "manager" (rather than "Financial Services Manager" as under the Act). To be reconciled.

"**Proposed Assumption Date**" has the meaning ascribed thereto in Section 6.01.

"**Protection Agreement Maximum**" means the dollar amount determined by the Province and of which OPG is provided written notice in accordance with Article IV.

"**Protection Event**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

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

"**Rating Agency**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Repayment**" has the meaning ascribed thereto in the General Regulation.

"**Security Interest**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Specified Creditors**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Supplemental Reserve Account**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

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

"**Transaction Document**" means (i) all constating and organizational documents of the Financing Entity, including the Declaration of Trust; (ii) any management, administration or servicing agreement to which the Financing Entity is a party, including any replacement or standby services agreement, the Administrative Services Agreement and the Management Agreement; (iii) the Master Transfer and Servicing Agreement between the Financing Entity and the IESO; (iv) Trust Indenture; (v) the form of supplemental indenture (supplemental to the Trust Indenture) governing the terms and conditions of a sample series of notes, bonds or other securities to be issued by the Financing Entity, including the particular allocations, security and priority of the Obligations Secured being serviced by the related Investment Interest and any other related series property; (vi) the form of any note, bond or securities purchase agreement; (vii) the form of underwriting agreement, agency agreement, selling agreement and/or subscription agreement that may be used with respect to a sale of a related series of notes, bonds or securities to be issued under the supplemental indenture referred to in (v), above; (viii) the form of any loan or credit agreement governing the issuance of short term loan obligations by the Financing Entity; (ix) the form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; (x) the form of any other agreement or instrument under which a Funding Obligation may arise or be effected,

including any other agreement under which the Financing Entity incurs a material financial obligation or that affects the Province's subrogation rights and/or subrogee interests, including any standby liquidity arrangements or credit enhancement agreements; (xi) if applicable, a Co-Owner Agreement or any other agreement governing the respective interests of persons having rights or interests in the investment asset or other assets of the Financing Entity, including any other agreement of the sort contemplated in Subsection 29(5) of the Act; and (xii) the form of Disclosure Document.

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

EXHIBIT A
FORM OF ELECTION NOTICE

(form of Assumption Agreement to be attached, once settled)

From:	Sarah Harris
To:	Opal Kandelas
Subject:	FW: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
Date:	Thursday, November 02, 2017 10:44:42 AM
Attachments:	23239360-v8-CLPA - Protection Agreement.docx 23239361-v6-CLPA - Process Agreement.docx

Hi Opal,

I'm going to be tied up between 12 and 3 on the FHP meeting. Docs are attached.

Sarah

From: Sarah Harris

Sent: Thursday, November 02, 2017 10:43 AM

To: Malle Hanslep (MOF)

Cc: Tobias P. Whitfield (MOF)

Subject: RE: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Thanks, Malle. I will try to attend most of it. I'm tied up with finalizing the IESO Fair Hydro Plan Agreements for execution tomorrow, and we're trying to organize a call today with IESO today. I may need to drop in and out.

Sarah

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Thursday, November 02, 2017 10:39 AM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>

Subject: FW: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Hi Sarah, Meeting today from 12 to 3 to review this. Think it would be good if you can attend. Thanks.

From: Whitfield, Tobias P. (MOF)
Sent: November 2, 2017 9:41 AM
To: Strathy, Anna (OFA); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: RE: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Please find attached preliminary drafts of the Protection Agreement and the Process Agreement for discussion at our meeting this afternoon.

Note that these drafts contain a number of issues that are still under consideration and up for discussion.

Best

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Appointment-----
From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: November 2, 2017 8:31 AM
To: Anna Strathy; Whitfield, Tobias P. (MOF); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep,

Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
When: November 2, 2017 12:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Executive Boardroom, 14th Floor, 1 Dundas OR Teleconference 1-866-602-5461 or 416-212-8011 | Conference ID: 4717656

Nov 2: Rescheduled from 10:00am to 12:00pm

MOF Legal is expecting a second draft between 9 and 10am today. The later meeting time will allow time to review prior to discussing.

Lunch will be provided

Toll-free dial-in number: 1-866-602-5461

Local dial-in number: 416-212-8011

Conference ID: 4717656

OFA to Moderate

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

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

AND

[FINANCING ENTITY TRUSTEE] IN ITS CAPACITY AS TRUSTEE OF THE [FINANCING ENTITY]

AND

ONTARIO POWER GENERATION INC., AS FINANCIAL SERVICES MANAGER

AND

[NAME OF INDENTURE TRUSTEE], AS INDENTURE TRUSTEE

CHANGE OF LAW PROTECTION AGREEMENT

Dated as of [■], 2017

This **AGREEMENT**, among Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and the Minister of Finance (the "**Province**"), **[FINANCING ENTITY TRUSTEE]**, as the Financing Entity Trustee and in its capacity as trustee of the **[FINANCING ENTITY]**, a trust settled by the FSM under the laws of the Province of Ontario (the "**Financing Entity**"), Ontario Power Generation Inc. in its capacity as the Financial Services Manager in accordance with the Act (the "**FSM**") and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada, as Indenture Trustee and in its capacity as trustee for the in accordance with the Trust Indenture, is made and entered into as of [■], 2017.

RECITALS

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

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

Pursuant to a Declaration of Trust dated as of ■, 2017, the FSM [established] the Financing Entity as a "financing entity"[1] (as defined in the Act) for the purposes contemplated in the Act.

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

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

OPG and the Province will concurrently enter into the Process Agreement, under which OPG will agree to perform certain related activities and to provide certain assurances on which the Province will rely, including for the purposes of determining whether the Adherence

[1] Note to Draft: Consideration is being given by MOE to possible changes to the Regulation to accommodate the proposed use of a "trust", as a "financing entity".

Conditions have been satisfied in connection with the incurrence or amendment of an Approved Obligation and ensuring that the Province's assumption right may be exercised without impediment on the terms and conditions contemplated in this Agreement.

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

AGREEMENT OF THE PARTIES

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

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

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

(a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A;

(b) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;

(c) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;

(d) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;

(e) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;

(f) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

(g) all references in this Agreement to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits" and other subdivisions are to the designated Articles, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit or other subdivision;

(h) "including" and words of similar import will be deemed to be followed by "without limitation"; and

(i) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.02 Trustee to act in accordance with the Trust Indenture

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

1.03 Proof of Approved Obligations

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

Any statement of account prepared by the Indenture Trustee as regards the Primary Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due and payable by the Financing Entity to the Beneficiaries and/or the Indenture Trustee and the Province hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Indenture Trustee agrees to provide the Province with the computations and calculations used by the Indenture Trustee to prepare each such statement of account promptly following a request therefor.

1.04 Limitation on Rights of and Actions by Specified Creditors

Specified Creditors, as Beneficiaries, shall not have or be permitted to exercise any rights, interests, or elections under this Agreement, other than in the manner and to the extent effected and exercised through the Indenture Trustee under, in accordance with and subject to the limitations set forth in the Trust Indenture. No Specified Creditor will have any right to institute any proceeding, judicial or otherwise, with respect to this Agreement.

1.05 Province Retains Rights of Beneficiaries

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

1.06 Effect of Headings

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

1.07 Successors and Assigns

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

1.08 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.09 Governing Law

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

1.10 Proceedings Against the Crown Act

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

1.11 Attornment

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

1.12 Counterparts; Electronic Delivery

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

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

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

1.14 Non-Business Days

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

1.15 Waiver, Amendment

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

1.16 Interest Act

For the purpose of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest to which any rate of interest payable under this Agreement that is calculated on any basis other than a full calendar year is equivalent may be determined by multiplying such rate by a fraction, the numerator of which is the actual number of days in the calendar year in which such

yearly rate of interest is to be ascertained and the denominator of which is the number of days comprising such other basis. The parties further agree that for the purposes of the *Interest Act* (Canada), (a) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement, and (b) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

1.17 Currency

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

1.18 References to Acts of the Financing Entity Trustee

For greater certainty, where any reference is made in this Agreement, or in any other instrument executed pursuant hereto or contemplated hereby to which the Financing Entity or the Financing Entity Trustee, as trustee of the Financing Entity, is party, to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to (i) the Financing Entity or (ii) the Financing Entity Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to, the Financing Entity Trustee as trustee of the Financing Entity.

1.19 Judgment Currency

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

(b) The term "rate of exchange" in this Section 1.18 means the spot rate at which the Indenture Trustee, in accordance with normal practice, is able on the relevant date to purchase the Original Currency with the Second Currency and includes any premium and costs of exchange payable in connection with such purchase.

ARTICLE II
AGREEMENT TO PERFORM APPROVED OBLIGATIONS

2.01 Limited Guarantee

(a) Upon the occurrence of a Protection Event, the Indenture Trustee may provide a written demand, in the form attached as Exhibit A (a "**Payment Demand**") to the Province requiring the Province to pay the Approved Obligations owing from time to time by the Financing Entity to the Indenture Trustee as and when they become due and payable, without Acceleration. A Payment Demand will not be valid with respect to an Approved Obligation until the amount claimed becomes due and payable in respect of the Approved Obligation (without Acceleration) in accordance with the Trust Indenture and has not otherwise been paid by the Financing Entity.

(b) Following receipt of a valid Payment Demand under Subsection 2.01(a), the Province shall pay the amounts owing by the Financing Entity to the Indenture Trustee, on behalf of the applicable Beneficiaries, in respect of each Approved Obligation[2], in each case as and when the Approved Obligation becomes due and payable in accordance with its terms and on its scheduled, specified or determined payment date, as determined without regard to any Acceleration or rights of Acceleration arising under the Approved Obligation, in each case by the Province depositing or causing the deposit of the applicable payment amount into the Collection Account (the "**Limited Guarantee**"). For greater certainty, the Limited Guarantee will not apply to any amount or obligation of the Financing Entity that is not or does not arise under an Approved Obligation, including (i) any amounts that are or become payable as a result of the exercise of an option of the Financing Entity following a Protection Event, and [(ii) amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account, Finance Reserve Account or a Supplemental Reserve Account.][3]

[2] Note: Under Subsection 5(3) of the Act, the Province can guarantee only obligations "associated with an investment interest". The guarantee in Section 2.01 of the draft agreement guarantees "Approved Obligations" which in turn relies on the definition of Primary Obligations. The connection between a Primary Obligation and an "investment interest" is therefore crucial. Unfortunately, the nexus is not straightforward. Blakes is considering how to more precisely connect these concepts.

[3] Note: OFA to confirm whether the Limited Guarantee will extend to require the Province to fill sinking fund and collateral accounts during the period when the Province is required to make payments. If not, then we will need to consider the impact on ratepayers and the potential impact on the CEA calculations, which will have been based originally on these deposits being made during particular reference periods.

(c) Except as expressly provided in this Agreement, the Province's obligation to provide and perform the Limited Guarantee shall be irrevocable, absolute and unconditional.

(d) Any amount payable by the Province under the Limited Guarantee in respect of an Approved Obligation that is not paid when required herein shall bear interest from the applicable due date until paid in full at the rate or rates expressed to be payable on the Approved Obligation.

(e) The right to deliver a Payment Demand and thereupon enforce the Limited Guarantee shall constitute the only remedy available to the Indenture Trustee under this Agreement. Under no circumstances shall the Province be obligated to pay or indemnify the Indenture Trustee or any Beneficiary for consequential, special or punitive damages, or for economic loss or loss of profits.

2.02 Gross-up

[All amounts payable by the Province under this Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Province is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Province shall deposit into the Collection Account such additional amount as is necessary to ensure that the Indenture Trustee receives (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise due and payable in respect of the related Approved Obligation, net of any such taxes, charges, fees, levies, duties or withholdings.][4]

2.03 Absence of Set-off

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

2.04 Payment into Collection Account in Satisfaction

Notwithstanding the priority of payment requirements set forth in the Trust Indenture and any legal rule concerning the imputation of payments, the Indenture Trustee shall apply the full amount paid by the Province into the Collection Account in respect of an Approved Obligation to pay the corresponding amount due and payable to the applicable Beneficiaries under the Approved Obligation.[5] Upon a payment having been made by or on behalf of the Province into

[4] Province to advise on extension of a tax gross up. We assume this is necessary, although we have not discussed it specifically and it may be that we delete this provision on the basis that the determination of a tax gross up (and the Province's liability for it) will be based on the inclusion of that concept in the Trust Indenture itself.

[5] Note: This will need to operate in tandem with the Trust Indenture waterfall. The idea is that the Approved Obligations may not necessarily follow the sequence of the "payment waterfall" included in the Trust Indenture, and so amounts from the Province would need to operate independently. To be discussed with Torys.

the Collection Account in respect of an Approved Obligation, the amount so paid shall for all purposes be considered to have been applied to pay the applicable Beneficiaries and thereby reduce the amount due and payable under the Approved Obligation, whereupon an affected Beneficiary shall have no continuing rights, interests or entitlements (including rights as a secured party) in respect of the Approved Obligation to the extent so paid[6].

2.05 Certain Waivers

The Province hereby waives:

(a) any requirement, and any right to require, that any power be exercised or any action be taken against the Financing Entity or any Collateral for any of the Approved Obligations;

(b) all notices which may be required by applicable law to preserve any rights against the Province hereunder, including any notice of default, demand, dishonour, presentment and protest;

(c) diligence; and

(d) any defence based upon, arising out of or in any way related to any claim that any election of remedies by the Beneficiaries impaired, reduced, released or extinguished any rights that the Province might otherwise have had against the Financing Entity or any other surety.

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

2.06 Additional Security

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

2.07 Continuing Liability of the Province

The Approved Obligations shall be deemed not to have been paid, observed or performed, and the liability of the Province hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Financing Entity, or out of the proceeds of any Collateral, is recovered from or reimbursed by or for the account of any of the Beneficiaries for any reason, including a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the

[6] Note: Consider if Beneficiary rights under Obligations Secured can in fact be affected in this way under an agreement to which a Beneficiary is not directly a party. To achieve a binding relationship, a corresponding provision should appear in the Trust Indenture, to the effect that the Beneficiaries will be deemed to be bound by the Indenture Trustee insofar as the Beneficiaries rights against the financing entity are to be affected.

Approved Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by any of the Beneficiaries (whether or not consented to by the Financing Entity or the Province) of any claim for any such recovery or payment over.

2.08 Continuance of the Limited Guarantee

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

2.09 Modifications of Approved Obligations

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

(a) accept new, additional or replacement instruments, documents, agreements or security in connection with all or any part of the Approved Obligations;

(b) accept partial payments on the Approved Obligations; and

(c) waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Approved Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Indenture Trustee (for the benefit of the Beneficiaries) in its discretion may determine,

provided, however, that the Indenture Trustee shall not permit any change, modification, alteration, amendment, supplement, extension, renewal, compromise, novation, replacement, suspension or waiver of the terms of all or any part of the Approved Obligations or any Collateral therefor expect with the prior written consent of the Province having first been obtained.

ARTICLE III
THE INDENTURE TRUSTEE

3.01 The Indenture Trustee

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

3.02 Acceptance of Trusts

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

ARTICLE IV
APPROVED OBLIGATIONS

4.01 Approval Process

A Primary Obligation shall constitute an Approved Obligation if (a) the Adherence Conditions applicable thereto have been satisfied; or (b) the Province has specifically approved in writing the particular terms, conditions and documentation for the Primary Obligation.

4.02 Adherence Conditions

The following shall be the Adherence Conditions applicable in relation to a Primary Obligation:

(a) the Primary Obligation is contemplated under the Trust Indenture as an Obligation Secured;

(b) if the Primary Obligation is a [borrowing][7], at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments[8] under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations,[9] do not exceed the Protection Agreement Maximum;

(c) the FSM delivers a notice to the Indenture Trustee, with a copy to the Province, not less than ■ Business Days and not more than ■ Business Days prior to the incurrence or any amendment of the Primary Obligation, setting out the Protection Agreement Maximum;

(d) the FSM delivers a certificate signed by the Chief Financial Officer and the Treasurer of OPG (or their respective designees, provided that such designees are executive officers of OPG) and addressed to the Province and the Indenture Trustee, not less than ■ Business Days and not more than ■ Business Days prior

[7] Under consideration. Need to ensure that non-conventional instruments (capital rather than debt) are caught in the maximum test.

[8] Note: The concept of "repayments" under the OFHPA take account of contemplated refinancings. There is some risk that an anticipated refinancing would not manifest as contemplated, in which case the amount financed (and subject to the Limited Guarantee) could exceed the Protection Agreement Maximum and result in a balloon payment obligation.

[9] Note: If certain financing entity obligations are guaranteed under a one-off agreement, the interaction between the one-off guaranteed amount and Approved Obligations that are looked at to determine if incurrence of a new Primary Obligation is within the Protection Agreement Maximum will need to be considered.

to the incurrence or any amendment of the Primary Obligation, setting out the following with respect to the Primary Obligation:

i. if the Primary Obligation is a [borrowing], confirmation that, at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations, do not and will not exceed the Protection Agreement Maximum; and

ii. confirmation that the FSM has delivered to the Province a certificate in accordance with the Process Agreement confirming, among other things, that the transaction documents in respect of the Primary Obligation are in substantially the form of the documentation reviewed by the Province; and

(e) the Province has not provided notice to the Indenture Trustee that a Breach Event has occurred and that the Limited Guarantee does not apply to any further Primary Obligations that are incurred.[10]

4.03 Evidence of Satisfaction

A closing certificate signed by at least two executive officers of OPG in connection with an incurrence or amendment of a Primary Obligation shall be determinative as to whether the applicable Adherence Conditions with respect thereto have been satisfied, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defect or deficient, and such closing certificate may be relied upon by any addressee as conclusive evidence of same.

ARTICLE V
RIGHTS OF THE PROVINCE

5.01 Assignment and Subrogation

Upon paying an amount in respect of an Approved Obligation

(a) to or at the direction of the Indenture Trustee in satisfaction of the Limited Guarantee; or

(b) as a result of assuming the Financing Entity's obligations in respect of all Obligations Secured under Article VI,

the Province (in addition to and without prejudice to any rights it otherwise has in law or equity) shall be subrogated and entitled to all of the applicable Beneficiary's rights and interests under and in respect of the Approved Obligation to the extent of such payment, including (a) the right and entitlement to be paid and receive distributions of such amount by the Financing Entity in accordance with and in the priority applicable to the Approved

[10] NTD: Carve-out for re-financings of Approved Obligations already in existence is under consideration.

Obligation applicable in respect of the payment under the Trust Indenture, (b) the benefits of the related Collateral and (c) all proceeds therefrom. The Province shall have and be entitled to enforce all rights and interests (including as a secured party under the Trust Indenture) under such Approved Obligation as an absolute assignee of the applicable Beneficiary, with effect from and after the time of such payment, without any further requirement for notice to or acceptance by the Financing Entity of such absolute assignment and without any reduction, set-off or counterclaim on account of any amounts that may, at or after the time of payment, be or become owing by the Beneficiary to the Financing Entity and unaffected by any other rights or equities that arise thereafter as between the Beneficiary and the Financing Entity. The Indenture Trustee shall recognize the Province as being entitled to all of the rights, interests and entitlements of the Beneficiary (including, if applicable, as a Noteholder) in respect and to the extent of the Approved Obligation so paid, determined as of the time of payment, for all purposes under the Trust Indenture, and the Province shall be treated as a Specified Creditor in respect thereof for all purposes under the Trust Indenture and any other agreement under which the Approved Obligation arises.

5.02 Priorities

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

5.03 Voting Rights under "Outstanding Notes"

Notwithstanding the last three sentences of the definition of "Outstanding" in the Trust Indenture[11]:

(a) Notes in connection with Approved Obligations in respect of which the Province has rights and interest pursuant to Section 5.01 shall be regarded as "Outstanding" within the meaning of the Trust Indenture; and

(b) in determining whether Noteholders of the requisite principal amount of Notes that are Outstanding (as defined in the Trust Indenture) have taken any Action under the Trust Indenture, and for the purposes of Article X of the Trust Indenture, the Province shall be deemed to have the amount of Outstanding (as defined in the Trust Indenture) Notes in proportion to its interest in such Notes based on the amounts that the Province has paid in respect of Approved Obligations under this Agreement.

[11] Note: This concept should be reflected in the Trust Indenture to be effective. Additional scenarios where the Province's rights as an affiliate of OPG may differ from what is expected are to be identified in the underlying Program Agreements.

5.04 Province May Perform Other Program Agreement Covenants.

If the Financing Entity fails to perform any covenant under any Program Agreement, the Province may (but, except as expressly provided for under this Agreement, shall not be obligated to) perform such covenant on behalf of the Financing Entity. If the Province performs such a covenant on behalf of the Financing Entity, all sums expended or advanced by the Province in so performing the covenant will bear interest at the rate of interest determined by the Province to reflect market terms and conditions for a borrowing made by the Province at the relevant time from the date of expenditure until repayment by the Financing Entity [and will (together with such interest) be paid by the Financing Entity upon demand and will until paid form part of the Obligations Secured and constitute a Finance Amount.[12]

ARTICLE VIL
NOTICE OF ASSUMPTION OF OBLIGATIONS SECURED

6.01 Delivery of Assumption Notice

The Province may provide notice (in the form of Exhibit B) to the Indenture Trustee that, in accordance with the terms of the Process Agreement, the Province has elected to assume the Financing Entity's obligations in respect of all Obligations Secured, as obligor and debtor (the "**Assumption Notice**"). The Assumption Notice shall specify the date on which the assignment and assumption of the Obligations Secured will be effective (the "**Assumption Closing Date**").

6.02 Cooperation to Implement the Assignment and Assumption

The Indenture Trustee, the FSM, the Financing Entity and the Province will cooperate and use [commercially reasonable efforts] to complete the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province, by the Assumption Closing Date.[13]

6.03 Effect of Assumption

On the date that the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province becomes effective (the "**Assumption Effective Date**"), the Province shall no longer be required to provide and perform the Limited Guarantee.

6.04 Interim Period

Until the effective time of the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province on the Assumption Effective Date, the Province shall continue to perform and be obligated under the Limited Guarantee.

[12] Note: General Regulation must be revised such that "Finance Amount" picks up guarantor amounts. Under consideration by MOE.

[13] Note: Further details regarding obtaining of third party consents and rating agency approvals to be considered.

ARTICLE VII
INDENTURE TRUSTEE MATTERS

7.01 Limited Recourse

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

7.02 Not Responsible for Recitals or Issuance of Notes

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

7.03 Representations and Covenants of the Indenture Trustee

The Indenture Trustee represents, warrants and covenants that:

(a) the Indenture Trustee is a trust company organized, existing and in good standing under the laws of Canada;

(b) the Indenture Trustee has full power and authority to execute, deliver and perform this Agreement and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement and other documents to which it is a party;

(c) each of this Agreement and the other documents to which it is a party has been duly executed and delivered by the Indenture Trustee and constitutes its legal, valid and binding obligation in accordance with its terms; and

(d) the Indenture Trustee is authorized to carry on the business of a trust company in each of the provinces and territories of Canada.

7.04 Release of all Collateral

(a) The Indenture Trustee shall not execute instruments to release Collateral from the Security Interest of the Trust Indenture, or convey the Indenture Trustee's interest (which is held by the Indenture Trustee for the benefit of the Specified Creditors) in the same, unless and until the rights and interests of the Province under Section 5.01 or otherwise as an assignee of any of the Obligations Secured or as a

subrogee have been satisfied in full and the Province has no continuing obligations under this Agreement.

(b) The Province shall be entitled to receive at least 10 Business Days' written notice when the Indenture Trustee proposes to take any action pursuant to Subsection 7.04(a), accompanied by copies of any instruments involved.

7.05 Right to Notice and Attend Meetings

The Financing Entity shall ensure that the Province receives advance notice of any meeting or proposed written resolution of Specified Creditors (or any of them) and the Province and its legal advisers shall be permitted to attend and be represented at any meeting of such Specified Creditors.

ARTICLE VIII
SUSPENSION OF ADHERENCE FOR NEW PRIMARY OBLIGATIONS

8.01 Suspension Notice

A written notice in the form of Exhibit C (a "**Suspension Notice**"):

(a) shall be provided by the FSM to the Province and the Indenture Trustee promptly following the occurrence of a Program Breach; and

(b) may be provided by the Province to the Indenture Trustee, the FSM and the Financing Entity following the occurrence of a Breach Event.

8.02 Suspension

If a Suspension Notice has been provided under Section 8.01 (the provision of such notice being a "**Suspension Event**"), the Financing Entity shall not incur any new or additional Obligation Secured and shall not amend or terminate any existing Obligation Secured except with the prior written consent of the Province.

8.03 Termination Notice

On the occurrence of a Suspension Event, the Province may provide to the Indenture Trustee, the FSM and the Financing Entity a notice in the form of Exhibit D (a "**Termination Notice**").

8.04 No Impact on Adherence

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

ARTICLE IX
MISCELLANEOUS

9.01 Term of Agreement

This Agreement will continue until the later of:

(a) the date that no amount is or may become due and payable by the Province under the Limited Guarantee; and

(b) the date that a Termination Notice is received by the Indenture Trustee, the FSM and the Financing Entity.

9.02 Notices

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

(a) if to the Financing Entity:

[Financing Entity]
c/o Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]
Email: [■]

with copies to:

[Financing Entity Trustee], in its capacity as Financing Entity Trustee for
[Financing Entity]
[Address]
Attention: [■]

Fax: (416) [■]
Email: [■]

[■]

(b) if to the FSM:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]
Email: [■]

(c) if to the Province:

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

and

Ministry of Energy
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

(d) if to the Indenture Trustee:

[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

or to such other addresses as a party may from time to time notify the other parties in accordance with this Section 9.02.

9.03 Assignment

(a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties.

(b) Any purported assignment of this Agreement in violation of this Section 9.03 shall be null and void.

9.04 Enurement

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

9.05 FIPPA

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

9.06 Confidentiality

[Note: To be considered based on what would be customary and appropriate for similar types of arrangements and would be acceptable to the Province. Note that this Agreement will become part of the package of rights acquired by investors and counterparties and so it is unclear to what extent confidentiality can or should be preserved in these circumstances.]

9.07 No Petition

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

9.08 Force Majeure

In no event shall the Indenture Trustee or the Financing Entity Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Indenture Trustee and the Financing Entity Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

9.09 Delivery of Executed Copies

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

[Signature page to follow]

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

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

By: _____
Name:
Title:

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

By: _____
Name:
Title:

ONTARIO POWER GENERATION INC., AS FSM

By: _____
Name:
Title:

By: _____
Name:
Title:

[FINANCING ENTITY TRUSTEE], IN ITS CAPACITY AS FINANCING ENTITY TRUSTEE FOR [FINANCING ENTITY]

By: _____
Name:
Title:

[INDENTURE TRUSTEE], AS INDENTURE TRUSTEE AND NOT IN ITS INDIVIDUAL CAPACITY

By: _____
Name:
Title:

SCHEDULE A
DEFINED TERMS

"**Acceleration**" has the meaning ascribed to the term "acceleration"[14] in the General Regulation.

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

"**Action**" has the meaning ascribed thereto under the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

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

"**Assumption Closing Date**" has the meaning ascribed thereto in Section 6.01.

"**Assumption Effective Date**" has the meaning ascribed thereto in Section 6.03.

"**Assumption Notice**" has the meaning ascribed thereto in Section 6.01.

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

"**Breach Event**" means the occurrence or existence of any one or more of the following: (a) a default in the performance, or breach, of any covenants of OPG under the Process Agreement; or (b) any representation or warranty made by OPG, or any certification made by OPG under the Process Agreement, proves to be incorrect in any material respect on the date made; or (c) OPG is no longer the FSM, the Administrative Agent or the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove OPG as the FSM, the Administrative Agent or the Manager.

"**Business Day**" means (a) any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are [, or the office of the Indenture Trustee is,] authorized or obligated by applicable law, regulation or executive order to be closed.

"**Capital Account**" has the meaning ascribed to the term "capital account" in the General Regulation.

"**Change of Law Protection Agreement**" means this Agreement.

[14] Note: A proposal to add this concept into the Regulation is under consideration by MOE. Further modifications to follow, depending on that process.

"**Collateral**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

"**Collection Account**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

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

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

"**Finance Reserve Account**" has the meaning ascribed to the term "finance reserve account" in the General Regulation [as of the date of this Agreement].

"**Financing Entity**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Financing Entity Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Financing Entity at such time.

"**FSM**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act [as of the date of this Agreement].

"**General Regulation**" means O. Reg. 206/17 made under the Act.

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

"**IESO**" has the meaning ascribed thereto in the Act [as of the date of this Agreement].

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

"**Investment Interest**" has the meaning ascribed to the term "Investment Interest" in the Act [as of the date of this Agreement].

"**Legislature**" means the Legislature of the Province of Ontario.

"**Limited Guarantee**" has the meaning ascribed thereto in Section 2.01(b).

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, and acknowledged and accepted by the Indenture Trustee.

"**Note**" or "**Notes**" has the meaning ascribed thereto under the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Noteholder**" has the meaning ascribed thereto under the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Obligations Secured**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**OIC**" has the meaning ascribed thereto in the second paragraph of the recitals in this Agreement.

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

"**Original Currency**" has the meaning ascribed thereto in Section 1.18(a).

"**Payment Demand**" has the meaning ascribed thereto in Section 2.01(a).

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

"**Primary Obligations**" means any Obligation Secured that is a Funding Obligation, other than (a) any amounts that are or become payable as a result of the exercise of an option of the Financing Entity following a Protection Event; and [(b) any amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account, Finance Reserve Account, or Supplemental Reserve Account.][15]

"**Process Agreement**" means the Change of Law Process Agreement dated [■], 2017 between the Province and OPG.

[15] Note: Possible simplification of definition structure under consideration.

"**Program Agreements**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

"**Protection Agreement Maximum"** means the dollar amount determined by the Province and of which OPG is provided notice in accordance with the Process Agreement.[16]

"**Protection Event**" means the occurrence of any of the following events:

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

(ii) the Legislature enacts or amends any other statute;

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

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

(v) there is a change in the organization or structure of the IESO or Ontario's electricity market[17] undertaken at the initiative of the Province or an entity controlled by the Province,

in each case, that materially and adversely affects (a) the ability of the Financing Entity to receive amounts on its Investment Interest so that it can pay Obligations Secured, or (b) this Agreement or any of the agreements under which Obligations Secured arise, other than if the Indenture Trustee has confirmed in writing that the effect under such agreements is otherwise acceptable; or

(b) a court of competent jurisdiction [in a final and non-appealable judgement][18] determines that all or a portion of the Act or the regulations made under the Act, as in effect on the date hereof, is *ultra vires* or invalid in a way that materially and

[16] Note: An alternative would be to expressly state the Program Agreement Maximum amount and the process by which this amount is determined in this Agreement.

[17] Note: Consider more clarity to "Ontario's electricity market".

[18] Under consideration to assess the marketability implications of this phrase.

adversely affects the ability of the Financing Entity to receive amounts on its Investment Interest so that it can pay Obligations Secured.

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

"**Repayment**" has the meaning ascribed thereto in the General Regulation.

"**Second Currency**" has the meaning ascribed thereto in Section 1.18(b).

"**Security Interest**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Specified Creditors**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Supplemental Reserve Account**" has the meaning ascribed in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Suspension Event**" has the meaning ascribed thereto in Section 8.02.

"**Suspension Notice**" has the meaning ascribed thereto in Section 8.01.

"**Termination Notice**" has the meaning ascribed thereto in Section 8.03.

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

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

EXHIBIT A
FORM OF PAYMENT DEMAND

EXHIBIT B
ASSUMPTION NOTICE

EXHIBIT C
SUSPENSION NOTICE

EXHIBIT D
TERMINATION NOTICE

Internal Draft: November 2, 2017

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

AND

ONTARIO POWER GENERATION INC.

CHANGE OF LAW PROCESS AGREEMENT

Dated as of [■], 2017

This **CHANGE OF LAW PROCESS AGREEMENT**, between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the "**Province**"), and Ontario Power Generation Inc. ("**OPG**"), is made and entered into as of [■], 2017.

RECITALS

OPG is appointed as the Financial Services Manager under Section 18 of the *Ontario Fair Hydro Plan Act, 2017* (the "**Act**").

Pursuant to Section 22(2) of the Act, OPG, in its capacity as the Financial Services Manager (the "**FSM**"), may establish or cause to be established one or more financing entities (as defined in the Act), which may incur Funding Obligations in accordance with the Act.

Pursuant to a Declaration of Trust dated as of ■, 2017, the FSM [established] the Financing Entity as a "financing entity" (as defined in the Act) for the purposes contemplated in the Act.

Concurrent with this Agreement, the Province, the FSM, the Financing Entity and the Indenture Trustee will enter into the Change of Law Protection Agreement under which the Province will agree to provide protections and assurances to the Indenture Trustee, for the benefit of the Beneficiaries, in respect of Obligations Secured that constitute Approved Obligations, in order to address concerns that would arise from a change or adverse determination of law, subject in each case to the satisfaction of the Adherence Conditions at the time the Approved Obligation is incurred or amended.

This Agreement sets out the obligations OPG has agreed to perform and assurances OPG has agreed to provide and on which the Province will rely in entering into and implementing the Change of Law Protection Agreement, including for the purposes of determining whether the Adherence Conditions have been satisfied in connection with the incurrence or amendment of an Approved Obligation, maintaining information related to the Program Agreement and the Approved Obligations, and ensuring that the Province's assumption rights pursuant to Article VI of the Change of Law Protection Agreement may be exercised without impediment on the terms and conditions contemplated in this Agreement and the Change of Law Protection Agreement.

All things necessary to make this Agreement a valid and legally binding agreement of OPG, and of the Province in accordance with the Act and the OIC, have been done.

AGREEMENT OF THE PARTIES

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

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

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

(a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A;

(b) the terms used in this Agreement that are not defined in this Agreement shall have the meanings assigned to them in the Change of Law Protection Agreement;

(c) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;

(d) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;

(e) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;

(f) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;

(g) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

(h) all references in this Agreement to designated "Sections", "Subsections" "Schedules", "Exhibits" and other subdivisions are to the designated, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, Subsection, Schedule, Exhibit or other subdivision;

(i) "including" and words of similar import will be deemed to be followed by "without limitation"; and

(j) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.02 References to the Financing Entity or the Financing Entity Trustee

For greater certainty, each reference to the Financing Entity or to the Financing Entity Trustee shall be construed as a reference to the Financing Entity Trustee, as trustee of the Financing Entity.

1.03 Effect of Headings

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

1.04 Successors and Assigns

All covenants and agreements in this Agreement by the parties will bind their respective successors and permitted assigns, whether so expressed or not.

1.05 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.06 Governing Law

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

1.07 Proceedings Against the Crown Act

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

1.08 Attornment

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

1.09 Counterparts; Electronic Delivery

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

1.01 Change of Law Process Agreement Referred to in the Change of Law Protection Agreement

This Agreement is the "Change of Law Process Agreement" referred to in the Change of Law Protection Agreement.

1.10 Non-Business Days

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

1.11 Waiver, Amendment

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

ARTICLE II
COVENANTS OF OPG

2.01 Deliveries to the Province

(a) Not less than ■ Business Days prior to the initial issuance of any Funding Obligation by the Financing Entity, OPG shall deliver to the Province a copy of

the initial Financing Plan. Thereafter, OPG shall promptly deliver to the Province a copy of any proposed change to or replacement of the Financing Plan.

(b) Not less than ■ Business Days prior to the initial issuance of any Funding Obligation by the Financing Entity, OPG shall deliver to the Province an analysis and assessment of the tax position of the Financing Entity. Thereafter, OPG shall promptly deliver to the Province a copy of any proposed change to or replacement of such analysis and assessment.

(c) Not less than ■ Business Days prior to any proposed change, addition or supplement to a Transaction Document becoming effective or otherwise being used, OPG shall deliver to the Province a copy of such proposed change, addition or supplement to the Transaction Document.

(d) Promptly following any incurrence of a Funding Obligation or any amendment of a Funding Obligation, OPG shall provide the Province with electronic copies of all related Governing Documents and all other closing documents executed by or on behalf of the Financing Entity in connection with such incurrence or amendment that would affect the Financing Entity's assets or obligations (including, for greater certainty, any related Disclosure Document).

(e) Promptly upon request, OPG shall provide the Province with such additional information and documentation as the Province requests in order to enable the Province to assess the nature and extent of its obligations under the Change of Law Protection Agreement.

(f) OPG shall, as the FSM, cause the Financing Entity to deliver to the Province copies of the Financing Entity's annual tax returns and any related tax assessment not more than ■ Business Days after such a tax return or tax assessment is required to be filed under applicable law.[1]

2.02 Covenants

(a) OPG shall, as the FSM, cause the Financing Entity to:

(i) punctually perform and observe all of its obligations and agreements contained in the Program Agreements;

(ii) ensure that all Obligations Secured are incurred pursuant to and in accordance with the terms and conditions of the Trust Indenture;

(iii) ensure that no obligations other than the Obligations Secured are incurred by or on behalf of the Financing Entity;

[1] Note: The tax documents to be provided to the Province are under consideration.

(iv) not engage in any business other than as permitted under the Declaration of Trust or the other Program Agreements and activities ancillary thereto; and

(v) not, without the prior written consent of the Province:

(A) amend, supplement, modify, restate or replace or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to any of the Program Agreements, if any such supplementation, amendment, modification, restatement or replacement or waiver or consent could reasonably be considered to be materially prejudicial to the rights or interests of the Province under the Change of Law Protection Agreement;

(B) consent to the resignation of (1) the Administrative Agent under the Administrative Services Agreement; or (2) the Manager under the Management Agreement;

(C) consolidate or merge with or into any other Person;

(D) permit the validity or effectiveness of the Change of Law Protection Agreement to be impaired;

(E) permit any Lien (other than the Security Interest) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the proceeds thereof;

(F) sell, transfer, exchange or otherwise dispose of any of the Collateral, other than as expressly permitted by the Trust Indenture;

(G) release any security or guarantee in respect of the Collateral other than as expressly permitted by the Trust Indenture; or

(H) voluntarily dissolve or liquidate.

(b) OPG shall:

(i) comply, and as the FSM cause compliance by the Financing Entity, with the Act, the General Regulation and any other enactment related thereto;

(ii) promptly notify the Province of the creation of any Funding Obligation that is not or would not be an Approved Obligation;

(iii) after the occurrence of any Protection Event (or any event that with the passage of time or the giving of notice would be a Protection Event), not, without the Province's prior written consent, permit the Financing Entity to exercise any redemption, pre-payment, early termination or extension

right in respect of any Approved Obligation or exercise any other election or privilege in respect of any Approved Obligation, in each case if as a result the obligations applicable to the Approved Obligation under this Agreement would be accelerated, delayed or otherwise affected; and

(iv) ensure that any disclosure (including any Disclosure Document) that refers to or describes the terms, effect or adherence of or to this Agreement will be subject to the prior review of the Province and such disclosure will not be made (and any such Disclosure Document shall not be used) without the prior written consent of the Province.

ARTICLE III
PROCESS CERTIFICATE

3.01 Process Certificate

OPG shall deliver a certificate (the "**Process Certificate**"), signed by the Chief Financial Officer and the Treasurer of OPG (or their respective designees, provided that such designees are also executive officers of OPG) and addressed to the Province, not less than ■ Business Days prior to the incurrence or any amendment of a Primary Obligation, setting out the following with respect to the Primary Obligation:

(a) the material terms of the Funding Obligations pertaining to principal amount, pricing and third party fees;[2]

(b) if an existing Primary Obligation is proposed to be amended, material details respecting such amendment and the anticipated effect of the amendment on or in relation to the affected terms and conditions of the Primary Obligation, including regarding the applicable details set forth in Subsection 3.01(a), as the context requires;

(c) a statement that: (i) the Primary Obligation to be incurred or amended (1) will arise under terms and conditions that are Substantially in the Form of the Reviewed Documentation applicable thereto; (2) in the opinion of the signatories to the Process Certificate, are reasonably incurred in compliance with the Act, the General Regulation, any other enactments related thereto and the applicable Financing Plan; (3) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and (4) reflect, in all material respects, arm's length terms and conditions; and (ii) any Disclosure Document used in connection with the offering and sale of notes, bonds or other securities is Substantially in the Form of the Reviewed Documentation;

[2] Note: Level of detail required by the Province is under consideration. Province to consider whether it would like further details regarding Principal Obligations, Redemption Obligations, Interest Obligations, Hedging Obligations, Third Party Expense Obligations or Other Funding Obligations. In desirable, particulars regarding Hedging Obligations and the market in which notes are issued to be considered.

(d) a statement that no Breach Event has occurred on or prior to the date of the Process Certificate, unless such Breach Event has been waived by the Province in writing; and

(e) if the Primary Obligation is a [borrowing], confirmation that, at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations, do not and will not exceed the Protection Agreement Maximum.

3.02 Acknowledgment

The parties acknowledge that the Process Certificate is the certificate referred to in Subsection 4.02(d)(ii) of the Change of Law Protection Agreement.

3.03 Meaning of "Reviewed Documentation"

For the purposes of Subsection 3.01(c), the term "Reviewed Documentation" shall mean each Transaction Document (including any change, addition or supplement thereto) that, at the relevant time:

(a) has been provided to the Province in accordance with Subsection 2.01(c); and

(b) has been accepted by the Province, as confirmed by way of a written notice of acceptance from the Province delivered to OPG.

3.04 Meaning of "Substantially in the Form"

For the purposes of Subsection 3.01(c), the term "Substantially in the Form" shall mean:

(a) with respect to the Reviewed Documentation referred to in clauses (i) to (xi) of the definition of "Transaction Documents", that there are no differences between the proposed documents and such Reviewed Documentation that could result in a change in the material terms or conditions applicable to the applicable Primary Obligation, including regarding the timing of or circumstances under which related payments are or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization), or that would affect the Province's rights of subrogation or assignment (including pursuant to Section 5.01 of the Change of Law Protection Agreement) or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation;

(b) with respect to the Reviewed Documentation referred to in clauses (v) to (ix) of the definition of "Transaction Documents", and, where applicable, clauses (x) and (xi) of the definition of "Transaction Documents" as the context requires, that the variable terms to be set forth in the proposed documents are as reasonably contemplated in the Reviewed Documentation, as to the type, scope and extent of

the Primary Obligations arising thereunder and as to the timing, conditions and circumstances in which payment obligations under such Primary Obligations may arise, but without regard to the particular financial terms, rates and levels set forth in the proposed documents other than to the extent that the forms of Reviewed Documentation themselves specify specific requirements, limitations or parameters with respect to such financial terms, rates, levels and parameters; and

(c) with respect to the Reviewed Documentation referred to in clause (xii) of the definition of "Transaction Documents", that there are no material differences between the form and substance of the proposed Disclosure Document and such form of Disclosure Document and that the proposed disclosure document complies in all material respects with all securities disclosure requirements relating to the Primary Obligation subject to distribution thereunder.

ARTICLE IV
PROTECTION AGREEMENT MAXIMUM

4.01 Protection Agreement Maximum

(a) The initial Protection Agreement Maximum shall be determined by the Province prior to the initial issuance of the first Funding Obligation. The initial Protection Agreement Maximum will be confirmed by the Province by notice in writing to OPG, as the FSM.

(b) Not less than ■ Business Days prior to the proposed incurrence of the first Funding Obligation, OPG shall, as the FSM, deliver to the Province a forecast setting out OPG's expectations regarding the aggregate maximum amount of Repayments that would arise in the future under Approved Obligations to be incurred during the next following 24 month period (the "**Initial Forecast Period**"), which expectations shall be consistent with the applicable Financing Plan (the "**Initial Forecast**"). In determining the initial Protection Agreement Maximum, the Province may have regard to (but not be bound by) the Initial Forecast.

(c) Between nine (9) and twelve (12) months prior to the end of the Initial Forecast Period, OPG shall, as the FSM, deliver to the Province an updated forecast setting out the sum of (1) the aggregate amount of Repayments that will arise in the future under Approved Obligations that are then outstanding and (2) OPG's expectations regarding the aggregate maximum amount of Repayments that would arise in the future under Approved Obligations to be incurred during the period ending 24 months following the Initial Forecast Period, which expectation shall be consistent with then applicable Financing Plan. Such updated forecast shall be further updated on a similar basis with respect to each successive 24 month period or more frequently if at any time OPG has knowledge that the most recent forecast is materially inaccurate (the Initial Forecast and each such updated forecast, each a "**Forecast**").

(d) Upon receiving an updated Forecast, the Province shall determine whether or not the Protection Agreement Maximum will be revised. In determining whether the Protection Agreement Maximum will be revised, the Province may have regard to (but not be bound by) such updated Forecast. Any determination by the Province to revise the Protection Agreement Maximum will be confirmed by setting out a new Protection Agreement Maximum in a written notice from the Province to the FSM and the Indenture Trustee, the delivery of which will be conclusive evidence that such new Protection Agreement Maximum will apply until it may be further so revised.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

5.01 Representations and Warranties of OPG

OPG represents and warrants that on the date hereof and on each day that a Primary Obligation is incurred or amended:

(a) The Financing Entity is a trust duly constituted and validly existing under the laws of the Province of Ontario, is duly qualified to carry on its business in each jurisdiction in which it carries on business, and has the power and authority to perform the acts that OPG, as the FSM, shall cause it to perform pursuant to this Agreement and to own its property and carry on its business in accordance with the Program Agreements.

(b) OPG is a corporation duly constituted and validly existing under the laws of the Province of Ontario, is duly qualified to carry on its business in each jurisdiction in which it carries on business, has the power and authority to enter into and perform its obligations under this Agreement and all instruments and agreements delivered pursuant hereto and to own its property and carry on its business as currently conducted.

(c) OPG has been validly appointed, and has irremovably accepted such appointment, as the FSM in accordance with the Act. OPG has the power and authority to enter into and perform its obligations as the FSM under the Program Agreements and all instruments and agreements delivered pursuant thereto.

(d) The execution, delivery and performance of this Agreement and every instrument or agreement delivered pursuant hereto or in its capacity as the FSM has been or will be duly authorized by all requisite action by OPG and constitute a valid and binding obligation of OPG enforceable against OPG in accordance with its terms subject to (i) applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally, and (ii) equitable principles which may limit the availability of certain remedies, including the remedy of specific performance.

(e) There are no actions, suits or proceedings pending or, to the knowledge of OPG, threatened against or affecting OPG (including in its capacity as the FSM) or the

Financing Entity at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of OPG or the Financing Entity or in the ability of OPG or the Financing Entity to perform their respective obligations under the Program Agreements.

(f) There are no actions, suits or proceedings pending or, to the knowledge of OPG, threatened against or affecting OPG at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of OPG or in the ability of the OPG to perform its obligations under this Agreement or the Program Agreements.

(g) The performance by the Financing Entity of the Program Agreements does not conflict with, will not conflict with, does not result in, and will not result in, any breach of, and does not constitute, a default under, the Declaration of Trust or any agreements or instruments to which the Financing Entity is a party or by which it or any of its property and assets are bound.

(h) Neither the execution nor delivery of this Agreement, the Program Agreements nor any agreements or instruments delivered pursuant hereto or thereto, the consummation of the transactions herein or therein, nor compliance with the terms, conditions and provisions hereof or thereof conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under, any of the provisions of the constating documents of OPG or any agreements or instruments to which OPG is a party or by which it or any of its property and assets are bound.

(i) No consent, approval or authorization of, or declaration, registration, filing or qualification with, or giving of notice to, or taking of any other action in respect of, any Governmental Authority on the part of OPG is required in connection with the execution and delivery of this Agreement, the Program Agreements or any agreements or instruments delivered pursuant hereto or thereto or the consummation of any of the transactions contemplated hereby or thereby or in connection with the enforcement of this Agreement, the Program Agreements or any agreements or instruments delivered pursuant hereto or thereto, except those which have been obtained.

ARTICLE VI
ELECTION TO ASSUME APPROVED OBLIGATIONS

6.01 Election by the Province

At any time following the occurrence of a Protection Event, the Province may (but shall not be obligated) to elect to assume the Financing Entity's obligations in respect of all Obligations Secured, as obligor and debtor. To make such election, the Province shall duly

complete and deliver to OPG a notice in the form of Exhibit A (an "**Election Notice**"), which in turn will set forth the form of agreement (an "**Assumption Agreement**") setting forth the material terms and conditions under which the Province would assume and become obligated under each of the Obligations Secured. The Election Notice shall, among other things, specify the date on which the Province proposes to assume the Obligations Secured, which date shall be no earlier than 20 Business Days following delivery of the Election Notice to OPG (the "**Proposed Assumption Date**").

6.02 Details regarding Obligations Secured

Promptly following the delivery of the Election Notice to OPG, OPG shall provide the following information and documentation to the Province:

(a) a summary of the amounts that will be owing under all Obligations Secured as of the Proposed Assumption Date, together with a detailed schedule setting out the dates on which such amounts will become due and payable under the Obligations Secured;

(b) a summary of the rights arising under the Obligations Secured that permit the Financing Entity to assign the Obligations Secured to the Province, including details regarding any conditions precedent to such assignment and the related assumption becoming effective and any notices, filings, consents or other actions that will be required in order to implement and effect such assignment and assumption;

(c) current versions of all documentation under which the Obligations Secured arise;

(d) copies of all correspondence exchanged between OPG, as the FSM, or the Financing Entity, on the one hand, and any Specified Creditor, Rating Agency or the Indenture Trustee, on the other hand, in each case that may reasonably be considered to be material to the assumption and performance of the Obligations Secured by the Province;

(e) all income tax returns and assessments, financial statements and notices of proceedings of or pertaining to the Financing Entity or its business and any documentation related thereto, including any pleadings, appeals, objections, qualifications or other similar materials in respect of the Financing Entity or any Program Agreement; and

(f) a draft version of the Assumption Agreement prepared in relation to each Obligation Secured, prepared in accordance with and having regard to the requirements of the relevant agreement(s) under which the Obligation Secured arises.

6.03 Settlement of Terms

Within ■ Business Days following receipt by the Province of the information and documentation to be provided under Section 6.02, the Province shall confirm in writing whether

or not it will proceed with the assignment and assumption of the Obligations Secured and, if it will be proceeding with the assignment and assumption, the date on which the Province intends that assignment and assumption will be effected, which may not be earlier than the Proposed Assumption Date. If it will be proceeding with such assignment and assumption, the Province will deliver an Assumption Notice as contemplated under Section 6.01 of the Change of Law Protection Agreement, which will specify such date as the "Assumption Closing Date" for the purposes thereof.

6.04 Cooperation to Implement the Assignment and Assumption

OPG shall cooperate with the Province and, as FSM, will cause the Financing Entity to cooperate to complete the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province, by the applicable Assumption Closing Date.[3]

6.05 Terms of Obligations Secured

In order to permit the Province to assume the Obligations Secured in the circumstances contemplated herein, OPG will, and as FSM, will cause the Financing Entity to, ensure that all Obligations Secured permit such an assignment to and assumption by the Province substantially in accordance with the terms and on the basis contemplated in the Assumption Agreement, without any penalty or make-whole payment, or any requirement for further consent, approval or agreement, or alternatively, in the case of any Obligations Secured entered into by or on behalf of the Financing Entity for the provision of on-going services to the Financing Entity, permitting the satisfaction and termination of such Obligations Secured on or prior to the effective time of such assumption without any acceleration of future fees, profits or other like amounts.[4]

ARTICLE VII
BREACH EVENTS

7.01 Breach Events

"**Breach Event**" shall mean the occurrence or existence of any one or more of the following:

(a) a default in the performance, or breach, of any covenants of OPG under this Agreement (including in respect of its role as FSM under any Program Agreement;

(b) any representation or warrant made by OPG in this Agreement, or any certification made in a Process Certificate, proves to be incorrect on the date made; or

[3] Note: Further details regarding obtaining of third party consents and rating agency approvals to be considered.

[4] Note: The Trust Indenture will need to include a clause providing that the obligations of the Financing Entity to the Indenture Trustee and the Noteholders may be assigned to the Province in accordance with an assumption agreement, substantially in the form set out in an exhibit to the Trust Indenture.

(c) OPG is no longer the FSM, the Administrative Agent or the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove OPG as the FSM, the Administrative Agent or the Manager.

7.02 Notice on Breach Event

If any Breach Event shall have occurred and not been waived in writing by the Province, the Province shall have the right, upon written notice to OPG at its option, and in addition to and not in substitution for any other remedies available hereunder at law or equity, to provide notice to the Indenture Trustee that a Breach Event has occurred and, in accordance with the Change of Law Protection Agreement, that the Limited Guarantee does not and will not apply to any Primary Obligations that may thereafter be incurred or amended by or on behalf of the Financing Entity.[5]

ARTICLE VIII
MISCELLANEOUS

8.01 Term of Agreement

This Agreement will continue for the term of the Change of Law Protection Agreement.

8.02 Notices

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

(a) if to OPG:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]

[5] NTD: Carve-out for re-financings of Approved Obligations already in existence is under consideration.

Email: [■]

(b) if to the Province:

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

and

Ministry of Energy
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

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

8.03 Assignment

(a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties.

(b) Any purported assignment of this Agreement in violation of this Section 8.03 shall be null and void.

8.04 Enurement

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

8.05 FIPPA

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

8.06 Confidentiality

[Note: To be considered based on what would be customary and appropriate for similar types of arrangements and would be acceptable to the Province.]

8.07 Delivery of Executed Copies

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

[Signature page to follow]

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

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

By: _____

Name:
Title:

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

By: _____

Name:
Title:

ONTARIO POWER GENERATION INC.

By: _____

Name:
Title:

By: _____

Name:
Title:

Each of the undersigned hereby acknowledge the foregoing as of the day and year first above written.

[FINANCING ENTITY TRUSTEE], IN ITS CAPACITY AS FINANCING ENTITY TRUSTEE FOR [FINANCING ENTITY]

By: _____
Name:
Title:

[INDENTURE TRUSTEE], AS INDENTURE TRUSTEE AND NOT IN ITS INDIVIDUAL CAPACITY

By: _____
Name:
Title:

SCHEDULE A
DEFINED TERMS

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

"**Adherence Conditions**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

["**Administrative Agent**" means OPG, in its capacity as administrative agent of the Financing Entity under the Administrative Services Agreement.]

["**Administrative Services Agreement**" means the administrative services agreement dated [■], 2017 between the Financing Entity and the Administrative Agent concerning the reimbursement of certain costs incurred by the Administrative Agent in connection with the administration of the Financing Entity.][6]

"**Approved Obligation**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Assumption Agreement**" has the meaning ascribed thereto in Section 6.01.

"**Assumption Closing Date**" has the meaning ascribed thereto in Section 6.03.

"**Beneficiaries**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Breach Event**" has the meaning ascribed thereto in Section 7.01.

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

"**Capital Account**" has the meaning ascribed to the term "capital account" in the General Regulation.

"**Change of Law Protection Agreement**" means the Change of Law Protection Agreement dated [■], 2017 among the Province, the Financing Entity, the FSM and the Indenture Trustee.

"**Collateral**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Financing Entity and any other owner or owners of an Investment Interest as contemplated by Subsection 29(5) of the Act.

[6] Note: To be confirmed if required.

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

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

"**Disclosure Document**" means a disclosure document (including any offering circular, prospectus or other investor disclosure statement) describing the material terms of the notes, bonds or securities to be issued pursuant to a supplemental indenture under the Trust Indenture, together with any related material information;

"**Election Notice**" has the meaning ascribed thereto in Section 6.01.

"**Finance Reserve Account**" has the meaning ascribed to the term "finance reserve account" in the General Regulation [as of the date of this Agreement].

"**Financing Entity**" means [■], a trust settled by the FSM under the laws of the Province of Ontario and under which the Financing Entity Trustee is the trustee.

"**Financing Entity Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Financing Entity at such time.

"**Financing Plan**" has the meaning ascribed thereto in the Act.

"**Forecast**" has the meaning ascribed thereto in Section 4.01(c).

"**FSM**" has the meaning ascribed thereto in the second paragraph of the recitals of this Agreement.

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act.

"**General Regulation**" means O. Reg. 206/17 made under the Act.

"**Governing Document**" has the meaning ascribed to the term "governing document" in the General Regulation.

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

"**IESO**" has the meaning ascribed thereto in the Act.

"**Indenture Trustee**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Initial Forecast**" has the meaning ascribed thereto in Section 4.01(b).

"**Initial Forecast Period**" has the meaning ascribed thereto in Section 4.01(b).

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act.

"**Legislature**" means the Legislature of the Province of Ontario.

"**Lien**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Limited Guarantee**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

["**Management Agreement**" means the management agreement dated [■], 2017 between the Manager and the Financing Entity.]

["**Manager**" means OPG, in its capacity as manager of the Financing Entity under the Management Agreement.][7]

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, and acknowledged and accepted by the Indenture Trustee.

"**Obligations Secured**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**OPG**" has the meaning ascribed thereto in the first paragraph of this Agreement.

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

"**Primary Obligations**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Process Certificate**" has the meaning ascribed thereto in Section 3.01.

"**Program Agreements**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

[7]Note: To be confirmed if required. Also note that the draft Trust Indenture refers to OPG as the "manager" (rather than "Financial Services Manager" as under the Act). To be reconciled.

"**Proposed Assumption Date**" has the meaning ascribed thereto in Section 6.01.

"**Protection Agreement Maximum**" means the dollar amount determined by the Province and of which OPG is provided written notice in accordance with Article IV.

"**Protection Event**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

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

"**Rating Agency**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Repayment**" has the meaning ascribed thereto in the General Regulation.

"**Security Interest**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Specified Creditors**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Supplemental Reserve Account**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

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

"**Transaction Document**" means (i) all constating and organizational documents of the Financing Entity, including the Declaration of Trust; (ii) any management, administration or servicing agreement to which the Financing Entity is a party, including any replacement or standby services agreement, the Administrative Services Agreement and the Management Agreement; (iii) the Master Transfer and Servicing Agreement between the Financing Entity and the IESO; (iv) Trust Indenture; (v) the form of supplemental indenture (supplemental to the Trust Indenture) governing the terms and conditions of a sample series of notes, bonds or other securities to be issued by the Financing Entity, including the particular allocations, security and priority of the Obligations Secured being serviced by the related Investment Interest and any other related series property; (vi) the form of any note, bond or securities purchase agreement; (vii) the form of underwriting agreement, agency agreement, selling agreement and/or subscription agreement that may be used with respect to a sale of a related series of notes, bonds or securities to be issued under the supplemental indenture referred to in (v), above; (viii) the form of any loan or credit agreement governing the issuance of short term loan obligations by the Financing Entity; (ix) the form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; (x) the form of any other agreement or instrument under which a Funding Obligation may arise or be effected,

including any other agreement under which the Financing Entity incurs a material financial obligation or that affects the Province's subrogation rights and/or subrogee interests, including any standby liquidity arrangements or credit enhancement agreements; (xi) if applicable, a Co-Owner Agreement or any other agreement governing the respective interests of persons having rights or interests in the investment asset or other assets of the Financing Entity, including any other agreement of the sort contemplated in Subsection 29(5) of the Act; and (xii) the form of Disclosure Document.

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

EXHIBIT A
FORM OF ELECTION NOTICE

(form of Assumption Agreement to be attached, once settled)

From:	Hanslep, Malle (MOF)
To:	Sarah Harris
Cc:	Tobias P. Whitfield (MOF)
Subject:	FW: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
Date:	Thursday, November 02, 2017 10:40:14 AM
Attachments:	23239361-v6-CLPA - Process Agreement.docx 23239360-v8-CLPA - Protection Agreement.docx

Hi Sarah, Meeting today from 12 to 3 to review this. Think it would be good if you can attend. Thanks.

From: Whitfield, Tobias P. (MOF)
Sent: November 2, 2017 9:41 AM
To: Strathy, Anna (OFA); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: RE: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Please find attached preliminary drafts of the Protection Agreement and the Process Agreement for discussion at our meeting this afternoon.

Note that these drafts contain a number of issues that are still under consideration and up for discussion.

Best

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Appointment-----
From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: November 2, 2017 8:31 AM
To: Anna Strathy; Whitfield, Tobias P. (MOF); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
When: November 2, 2017 12:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Executive Boardroom, 14th Floor, 1 Dundas OR Teleconference 1-866-602-5461 or 416-212-8011 | Conference ID: 4717656

Nov 2: Rescheduled from 10:00am to 12:00pm

MOF Legal is expecting a second draft between 9 and 10am today. The later meeting time will allow time to review prior to discussing.

Lunch will be provided

Toll-free dial-in number: 1-866-602-5461
Local dial-in number: 416-212-8011

Conference ID: 4717656
OFA to Moderate

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Internal Draft: November 2, 2017

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

AND

ONTARIO POWER GENERATION INC.

CHANGE OF LAW PROCESS AGREEMENT

Dated as of [■], 2017

This **CHANGE OF LAW PROCESS AGREEMENT**, between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the "**Province**"), and Ontario Power Generation Inc. ("**OPG**"), is made and entered into as of [■], 2017.

RECITALS

OPG is appointed as the Financial Services Manager under Section 18 of the *Ontario Fair Hydro Plan Act, 2017* (the "**Act**").

Pursuant to Section 22(2) of the Act, OPG, in its capacity as the Financial Services Manager (the "**FSM**"), may establish or cause to be established one or more financing entities (as defined in the Act), which may incur Funding Obligations in accordance with the Act.

Pursuant to a Declaration of Trust dated as of ■, 2017, the FSM [established] the Financing Entity as a "financing entity" (as defined in the Act) for the purposes contemplated in the Act.

Concurrent with this Agreement, the Province, the FSM, the Financing Entity and the Indenture Trustee will enter into the Change of Law Protection Agreement under which the Province will agree to provide protections and assurances to the Indenture Trustee, for the benefit of the Beneficiaries, in respect of Obligations Secured that constitute Approved Obligations, in order to address concerns that would arise from a change or adverse determination of law, subject in each case to the satisfaction of the Adherence Conditions at the time the Approved Obligation is incurred or amended.

This Agreement sets out the obligations OPG has agreed to perform and assurances OPG has agreed to provide and on which the Province will rely in entering into and implementing the Change of Law Protection Agreement, including for the purposes of determining whether the Adherence Conditions have been satisfied in connection with the incurrence or amendment of an Approved Obligation, maintaining information related to the Program Agreement and the Approved Obligations, and ensuring that the Province's assumption rights pursuant to Article VI of the Change of Law Protection Agreement may be exercised without impediment on the terms and conditions contemplated in this Agreement and the Change of Law Protection Agreement.

All things necessary to make this Agreement a valid and legally binding agreement of OPG, and of the Province in accordance with the Act and the OIC, have been done.

AGREEMENT OF THE PARTIES

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

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

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

(a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A;

(b) the terms used in this Agreement that are not defined in this Agreement shall have the meanings assigned to them in the Change of Law Protection Agreement;

(c) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;

(d) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;

(e) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;

(f) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;

(g) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

(h) all references in this Agreement to designated "Sections", "Subsections" "Schedules", "Exhibits" and other subdivisions are to the designated, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, Subsection, Schedule, Exhibit or other subdivision;

(i) "including" and words of similar import will be deemed to be followed by "without limitation"; and

(j) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.02 References to the Financing Entity or the Financing Entity Trustee

For greater certainty, each reference to the Financing Entity or to the Financing Entity Trustee shall be construed as a reference to the Financing Entity Trustee, as trustee of the Financing Entity.

1.03 Effect of Headings

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

1.04 Successors and Assigns

All covenants and agreements in this Agreement by the parties will bind their respective successors and permitted assigns, whether so expressed or not.

1.05 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.06 Governing Law

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

1.07 Proceedings Against the Crown Act

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

1.08 Attornment

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

1.09 Counterparts; Electronic Delivery

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

1.01 Change of Law Process Agreement Referred to in the Change of Law Protection Agreement

This Agreement is the "Change of Law Process Agreement" referred to in the Change of Law Protection Agreement.

1.10 Non-Business Days

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

1.11 Waiver, Amendment

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

ARTICLE II
COVENANTS OF OPG

2.01 Deliveries to the Province

(a) Not less than ■ Business Days prior to the initial issuance of any Funding Obligation by the Financing Entity, OPG shall deliver to the Province a copy of

the initial Financing Plan. Thereafter, OPG shall promptly deliver to the Province a copy of any proposed change to or replacement of the Financing Plan.

(b) Not less than ■ Business Days prior to the initial issuance of any Funding Obligation by the Financing Entity, OPG shall deliver to the Province an analysis and assessment of the tax position of the Financing Entity. Thereafter, OPG shall promptly deliver to the Province a copy of any proposed change to or replacement of such analysis and assessment.

(c) Not less than ■ Business Days prior to any proposed change, addition or supplement to a Transaction Document becoming effective or otherwise being used, OPG shall deliver to the Province a copy of such proposed change, addition or supplement to the Transaction Document.

(d) Promptly following any incurrence of a Funding Obligation or any amendment of a Funding Obligation, OPG shall provide the Province with electronic copies of all related Governing Documents and all other closing documents executed by or on behalf of the Financing Entity in connection with such incurrence or amendment that would affect the Financing Entity's assets or obligations (including, for greater certainty, any related Disclosure Document).

(e) Promptly upon request, OPG shall provide the Province with such additional information and documentation as the Province requests in order to enable the Province to assess the nature and extent of its obligations under the Change of Law Protection Agreement.

(f) OPG shall, as the FSM, cause the Financing Entity to deliver to the Province copies of the Financing Entity's annual tax returns and any related tax assessment not more than ■ Business Days after such a tax return or tax assessment is required to be filed under applicable law.[1]

2.02 Covenants

(a) OPG shall, as the FSM, cause the Financing Entity to:

(i) punctually perform and observe all of its obligations and agreements contained in the Program Agreements;

(ii) ensure that all Obligations Secured are incurred pursuant to and in accordance with the terms and conditions of the Trust Indenture;

(iii) ensure that no obligations other than the Obligations Secured are incurred by or on behalf of the Financing Entity;

[1] Note: The tax documents to be provided to the Province are under consideration.

(iv) not engage in any business other than as permitted under the Declaration of Trust or the other Program Agreements and activities ancillary thereto; and

(v) not, without the prior written consent of the Province:

(A) amend, supplement, modify, restate or replace or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to any of the Program Agreements, if any such supplementation, amendment, modification, restatement or replacement or waiver or consent could reasonably be considered to be materially prejudicial to the rights or interests of the Province under the Change of Law Protection Agreement;

(B) consent to the resignation of (1) the Administrative Agent under the Administrative Services Agreement; or (2) the Manager under the Management Agreement;

(C) consolidate or merge with or into any other Person;

(D) permit the validity or effectiveness of the Change of Law Protection Agreement to be impaired;

(E) permit any Lien (other than the Security Interest) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the proceeds thereof;

(F) sell, transfer, exchange or otherwise dispose of any of the Collateral, other than as expressly permitted by the Trust Indenture;

(G) release any security or guarantee in respect of the Collateral other than as expressly permitted by the Trust Indenture; or

(H) voluntarily dissolve or liquidate.

(b) OPG shall:

(i) comply, and as the FSM cause compliance by the Financing Entity, with the Act, the General Regulation and any other enactment related thereto;

(ii) promptly notify the Province of the creation of any Funding Obligation that is not or would not be an Approved Obligation;

(iii) after the occurrence of any Protection Event (or any event that with the passage of time or the giving of notice would be a Protection Event), not, without the Province's prior written consent, permit the Financing Entity to exercise any redemption, pre-payment, early termination or extension

right in respect of any Approved Obligation or exercise any other election or privilege in respect of any Approved Obligation, in each case if as a result the obligations applicable to the Approved Obligation under this Agreement would be accelerated, delayed or otherwise affected; and

(iv) ensure that any disclosure (including any Disclosure Document) that refers to or describes the terms, effect or adherence of or to this Agreement will be subject to the prior review of the Province and such disclosure will not be made (and any such Disclosure Document shall not be used) without the prior written consent of the Province.

ARTICLE III
PROCESS CERTIFICATE

3.01 Process Certificate

OPG shall deliver a certificate (the "**Process Certificate**"), signed by the Chief Financial Officer and the Treasurer of OPG (or their respective designees, provided that such designees are also executive officers of OPG) and addressed to the Province, not less than ■ Business Days prior to the incurrence or any amendment of a Primary Obligation, setting out the following with respect to the Primary Obligation:

(a) the material terms of the Funding Obligations pertaining to principal amount, pricing and third party fees;[2]

(b) if an existing Primary Obligation is proposed to be amended, material details respecting such amendment and the anticipated effect of the amendment on or in relation to the affected terms and conditions of the Primary Obligation, including regarding the applicable details set forth in Subsection 3.01(a), as the context requires;

(c) a statement that: (i) the Primary Obligation to be incurred or amended (1) will arise under terms and conditions that are Substantially in the Form of the Reviewed Documentation applicable thereto; (2) in the opinion of the signatories to the Process Certificate, are reasonably incurred in compliance with the Act, the General Regulation, any other enactments related thereto and the applicable Financing Plan; (3) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and (4) reflect, in all material respects, arm's length terms and conditions; and (ii) any Disclosure Document used in connection with the offering and sale of notes, bonds or other securities is Substantially in the Form of the Reviewed Documentation;

[2] Note: Level of detail required by the Province is under consideration. Province to consider whether it would like further details regarding Principal Obligations, Redemption Obligations, Interest Obligations, Hedging Obligations, Third Party Expense Obligations or Other Funding Obligations. In desirable, particulars regarding Hedging Obligations and the market in which notes are issued to be considered.

(d) a statement that no Breach Event has occurred on or prior to the date of the Process Certificate, unless such Breach Event has been waived by the Province in writing; and

(e) if the Primary Obligation is a [borrowing], confirmation that, at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations, do not and will not exceed the Protection Agreement Maximum.

3.02 Acknowledgment

The parties acknowledge that the Process Certificate is the certificate referred to in Subsection 4.02(d)(ii) of the Change of Law Protection Agreement.

3.03 Meaning of "Reviewed Documentation"

For the purposes of Subsection 3.01(c), the term "Reviewed Documentation" shall mean each Transaction Document (including any change, addition or supplement thereto) that, at the relevant time:

(a) has been provided to the Province in accordance with Subsection 2.01(c); and

(b) has been accepted by the Province, as confirmed by way of a written notice of acceptance from the Province delivered to OPG.

3.04 Meaning of "Substantially in the Form"

For the purposes of Subsection 3.01(c), the term "Substantially in the Form" shall mean:

(a) with respect to the Reviewed Documentation referred to in clauses (i) to (xi) of the definition of "Transaction Documents", that there are no differences between the proposed documents and such Reviewed Documentation that could result in a change in the material terms or conditions applicable to the applicable Primary Obligation, including regarding the timing of or circumstances under which related payments are or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization), or that would affect the Province's rights of subrogation or assignment (including pursuant to Section 5.01 of the Change of Law Protection Agreement) or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation;

(b) with respect to the Reviewed Documentation referred to in clauses (v) to (ix) of the definition of "Transaction Documents", and, where applicable, clauses (x) and (xi) of the definition of "Transaction Documents" as the context requires, that the variable terms to be set forth in the proposed documents are as reasonably contemplated in the Reviewed Documentation, as to the type, scope and extent of

the Primary Obligations arising thereunder and as to the timing, conditions and circumstances in which payment obligations under such Primary Obligations may arise, but without regard to the particular financial terms, rates and levels set forth in the proposed documents other than to the extent that the forms of Reviewed Documentation themselves specify specific requirements, limitations or parameters with respect to such financial terms, rates, levels and parameters; and

(c) with respect to the Reviewed Documentation referred to in clause (xii) of the definition of "Transaction Documents", that there are no material differences between the form and substance of the proposed Disclosure Document and such form of Disclosure Document and that the proposed disclosure document complies in all material respects with all securities disclosure requirements relating to the Primary Obligation subject to distribution thereunder.

ARTICLE IV
PROTECTION AGREEMENT MAXIMUM

4.01 Protection Agreement Maximum

(a) The initial Protection Agreement Maximum shall be determined by the Province prior to the initial issuance of the first Funding Obligation. The initial Protection Agreement Maximum will be confirmed by the Province by notice in writing to OPG, as the FSM.

(b) Not less than ■ Business Days prior to the proposed incurrence of the first Funding Obligation, OPG shall, as the FSM, deliver to the Province a forecast setting out OPG's expectations regarding the aggregate maximum amount of Repayments that would arise in the future under Approved Obligations to be incurred during the next following 24 month period (the "**Initial Forecast Period**"), which expectations shall be consistent with the applicable Financing Plan (the "**Initial Forecast**"). In determining the initial Protection Agreement Maximum, the Province may have regard to (but not be bound by) the Initial Forecast.

(c) Between nine (9) and twelve (12) months prior to the end of the Initial Forecast Period, OPG shall, as the FSM, deliver to the Province an updated forecast setting out the sum of (1) the aggregate amount of Repayments that will arise in the future under Approved Obligations that are then outstanding and (2) OPG's expectations regarding the aggregate maximum amount of Repayments that would arise in the future under Approved Obligations to be incurred during the period ending 24 months following the Initial Forecast Period, which expectation shall be consistent with then applicable Financing Plan. Such updated forecast shall be further updated on a similar basis with respect to each successive 24 month period or more frequently if at any time OPG has knowledge that the most recent forecast is materially inaccurate (the Initial Forecast and each such updated forecast, each a "**Forecast**").

(d) Upon receiving an updated Forecast, the Province shall determine whether or not the Protection Agreement Maximum will be revised. In determining whether the Protection Agreement Maximum will be revised, the Province may have regard to (but not be bound by) such updated Forecast. Any determination by the Province to revise the Protection Agreement Maximum will be confirmed by setting out a new Protection Agreement Maximum in a written notice from the Province to the FSM and the Indenture Trustee, the delivery of which will be conclusive evidence that such new Protection Agreement Maximum will apply until it may be further so revised.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

5.01 Representations and Warranties of OPG

OPG represents and warrants that on the date hereof and on each day that a Primary Obligation is incurred or amended:

(a) The Financing Entity is a trust duly constituted and validly existing under the laws of the Province of Ontario, is duly qualified to carry on its business in each jurisdiction in which it carries on business, and has the power and authority to perform the acts that OPG, as the FSM, shall cause it to perform pursuant to this Agreement and to own its property and carry on its business in accordance with the Program Agreements.

(b) OPG is a corporation duly constituted and validly existing under the laws of the Province of Ontario, is duly qualified to carry on its business in each jurisdiction in which it carries on business, has the power and authority to enter into and perform its obligations under this Agreement and all instruments and agreements delivered pursuant hereto and to own its property and carry on its business as currently conducted.

(c) OPG has been validly appointed, and has irremovably accepted such appointment, as the FSM in accordance with the Act. OPG has the power and authority to enter into and perform its obligations as the FSM under the Program Agreements and all instruments and agreements delivered pursuant thereto.

(d) The execution, delivery and performance of this Agreement and every instrument or agreement delivered pursuant hereto or in its capacity as the FSM has been or will be duly authorized by all requisite action by OPG and constitute a valid and binding obligation of OPG enforceable against OPG in accordance with its terms subject to (i) applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally, and (ii) equitable principles which may limit the availability of certain remedies, including the remedy of specific performance.

(e) There are no actions, suits or proceedings pending or, to the knowledge of OPG, threatened against or affecting OPG (including in its capacity as the FSM) or the

Financing Entity at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of OPG or the Financing Entity or in the ability of OPG or the Financing Entity to perform their respective obligations under the Program Agreements.

(f) There are no actions, suits or proceedings pending or, to the knowledge of OPG, threatened against or affecting OPG at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of OPG or in the ability of the OPG to perform its obligations under this Agreement or the Program Agreements.

(g) The performance by the Financing Entity of the Program Agreements does not conflict with, will not conflict with, does not result in, and will not result in, any breach of, and does not constitute, a default under, the Declaration of Trust or any agreements or instruments to which the Financing Entity is a party or by which it or any of its property and assets are bound.

(h) Neither the execution nor delivery of this Agreement, the Program Agreements nor any agreements or instruments delivered pursuant hereto or thereto, the consummation of the transactions herein or therein, nor compliance with the terms, conditions and provisions hereof or thereof conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under, any of the provisions of the constating documents of OPG or any agreements or instruments to which OPG is a party or by which it or any of its property and assets are bound.

(i) No consent, approval or authorization of, or declaration, registration, filing or qualification with, or giving of notice to, or taking of any other action in respect of, any Governmental Authority on the part of OPG is required in connection with the execution and delivery of this Agreement, the Program Agreements or any agreements or instruments delivered pursuant hereto or thereto or the consummation of any of the transactions contemplated hereby or thereby or in connection with the enforcement of this Agreement, the Program Agreements or any agreements or instruments delivered pursuant hereto or thereto, except those which have been obtained.

ARTICLE VI
ELECTION TO ASSUME APPROVED OBLIGATIONS

6.01 Election by the Province

At any time following the occurrence of a Protection Event, the Province may (but shall not be obligated) to elect to assume the Financing Entity's obligations in respect of all Obligations Secured, as obligor and debtor. To make such election, the Province shall duly

complete and deliver to OPG a notice in the form of Exhibit A (an "**Election Notice**"), which in turn will set forth the form of agreement (an "**Assumption Agreement**") setting forth the material terms and conditions under which the Province would assume and become obligated under each of the Obligations Secured. The Election Notice shall, among other things, specify the date on which the Province proposes to assume the Obligations Secured, which date shall be no earlier than 20 Business Days following delivery of the Election Notice to OPG (the "**Proposed Assumption Date**").

6.02 Details regarding Obligations Secured

Promptly following the delivery of the Election Notice to OPG, OPG shall provide the following information and documentation to the Province:

(a) a summary of the amounts that will be owing under all Obligations Secured as of the Proposed Assumption Date, together with a detailed schedule setting out the dates on which such amounts will become due and payable under the Obligations Secured;

(b) a summary of the rights arising under the Obligations Secured that permit the Financing Entity to assign the Obligations Secured to the Province, including details regarding any conditions precedent to such assignment and the related assumption becoming effective and any notices, filings, consents or other actions that will be required in order to implement and effect such assignment and assumption;

(c) current versions of all documentation under which the Obligations Secured arise;

(d) copies of all correspondence exchanged between OPG, as the FSM, or the Financing Entity, on the one hand, and any Specified Creditor, Rating Agency or the Indenture Trustee, on the other hand, in each case that may reasonably be considered to be material to the assumption and performance of the Obligations Secured by the Province;

(e) all income tax returns and assessments, financial statements and notices of proceedings of or pertaining to the Financing Entity or its business and any documentation related thereto, including any pleadings, appeals, objections, qualifications or other similar materials in respect of the Financing Entity or any Program Agreement; and

(f) a draft version of the Assumption Agreement prepared in relation to each Obligation Secured, prepared in accordance with and having regard to the requirements of the relevant agreement(s) under which the Obligation Secured arises.

6.03 Settlement of Terms

Within ■ Business Days following receipt by the Province of the information and documentation to be provided under Section 6.02, the Province shall confirm in writing whether

or not it will proceed with the assignment and assumption of the Obligations Secured and, if it will be proceeding with the assignment and assumption, the date on which the Province intends that assignment and assumption will be effected, which may not be earlier than the Proposed Assumption Date. If it will be proceeding with such assignment and assumption, the Province will deliver an Assumption Notice as contemplated under Section 6.01 of the Change of Law Protection Agreement, which will specify such date as the "Assumption Closing Date" for the purposes thereof.

6.04 Cooperation to Implement the Assignment and Assumption

OPG shall cooperate with the Province and, as FSM, will cause the Financing Entity to cooperate to complete the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province, by the applicable Assumption Closing Date.[3]

6.05 Terms of Obligations Secured

In order to permit the Province to assume the Obligations Secured in the circumstances contemplated herein, OPG will, and as FSM, will cause the Financing Entity to, ensure that all Obligations Secured permit such an assignment to and assumption by the Province substantially in accordance with the terms and on the basis contemplated in the Assumption Agreement, without any penalty or make-whole payment, or any requirement for further consent, approval or agreement, or alternatively, in the case of any Obligations Secured entered into by or on behalf of the Financing Entity for the provision of on-going services to the Financing Entity, permitting the satisfaction and termination of such Obligations Secured on or prior to the effective time of such assumption without any acceleration of future fees, profits or other like amounts.[4]

ARTICLE VII
BREACH EVENTS

7.01 Breach Events

"**Breach Event**" shall mean the occurrence or existence of any one or more of the following:

(a) a default in the performance, or breach, of any covenants of OPG under this Agreement (including in respect of its role as FSM under any Program Agreement;

(b) any representation or warrant made by OPG in this Agreement, or any certification made in a Process Certificate, proves to be incorrect on the date made; or

[3] Note: Further details regarding obtaining of third party consents and rating agency approvals to be considered.

[4] Note: The Trust Indenture will need to include a clause providing that the obligations of the Financing Entity to the Indenture Trustee and the Noteholders may be assigned to the Province in accordance with an assumption agreement, substantially in the form set out in an exhibit to the Trust Indenture.

(c) OPG is no longer the FSM, the Administrative Agent or the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove OPG as the FSM, the Administrative Agent or the Manager.

7.02 Notice on Breach Event

If any Breach Event shall have occurred and not been waived in writing by the Province, the Province shall have the right, upon written notice to OPG at its option, and in addition to and not in substitution for any other remedies available hereunder at law or equity, to provide notice to the Indenture Trustee that a Breach Event has occurred and, in accordance with the Change of Law Protection Agreement, that the Limited Guarantee does not and will not apply to any Primary Obligations that may thereafter be incurred or amended by or on behalf of the Financing Entity.[5]

ARTICLE VIII
MISCELLANEOUS

8.01 Term of Agreement

This Agreement will continue for the term of the Change of Law Protection Agreement.

8.02 Notices

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

(a) if to OPG:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]

[5] NTD: Carve-out for re-financings of Approved Obligations already in existence is under consideration.

Email: [■]

(b) if to the Province:

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

and

Ministry of Energy
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

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

8.03 Assignment

(a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties.

(b) Any purported assignment of this Agreement in violation of this Section 8.03 shall be null and void.

8.04 Enurement

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

8.05 FIPPA

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

8.06 Confidentiality

[Note: To be considered based on what would be customary and appropriate for similar types of arrangements and would be acceptable to the Province.]

8.07 Delivery of Executed Copies

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

[Signature page to follow]

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

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

By: _____

Name:
Title:

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

By: _____

Name:
Title:

ONTARIO POWER GENERATION INC.

By: _____

Name:
Title:

By: _____

Name:
Title:

Each of the undersigned hereby acknowledge the foregoing as of the day and year first above written.

[FINANCING ENTITY TRUSTEE], IN ITS CAPACITY AS FINANCING ENTITY TRUSTEE FOR [FINANCING ENTITY]

By: _____
Name:
Title:

[INDENTURE TRUSTEE], AS INDENTURE TRUSTEE AND NOT IN ITS INDIVIDUAL CAPACITY

By: _____
Name:
Title:

SCHEDULE A
DEFINED TERMS

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

"**Adherence Conditions**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

["**Administrative Agent**" means OPG, in its capacity as administrative agent of the Financing Entity under the Administrative Services Agreement.]

["**Administrative Services Agreement**" means the administrative services agreement dated [■], 2017 between the Financing Entity and the Administrative Agent concerning the reimbursement of certain costs incurred by the Administrative Agent in connection with the administration of the Financing Entity.][6]

"**Approved Obligation**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Assumption Agreement**" has the meaning ascribed thereto in Section 6.01.

"**Assumption Closing Date**" has the meaning ascribed thereto in Section 6.03.

"**Beneficiaries**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Breach Event**" has the meaning ascribed thereto in Section 7.01.

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

"**Capital Account**" has the meaning ascribed to the term "capital account" in the General Regulation.

"**Change of Law Protection Agreement**" means the Change of Law Protection Agreement dated [■], 2017 among the Province, the Financing Entity, the FSM and the Indenture Trustee.

"**Collateral**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Financing Entity and any other owner or owners of an Investment Interest as contemplated by Subsection 29(5) of the Act.

[6] Note: To be confirmed if required.

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

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

"**Disclosure Document**" means a disclosure document (including any offering circular, prospectus or other investor disclosure statement) describing the material terms of the notes, bonds or securities to be issued pursuant to a supplemental indenture under the Trust Indenture, together with any related material information;

"**Election Notice**" has the meaning ascribed thereto in Section 6.01.

"**Finance Reserve Account**" has the meaning ascribed to the term "finance reserve account" in the General Regulation [as of the date of this Agreement].

"**Financing Entity**" means [■], a trust settled by the FSM under the laws of the Province of Ontario and under which the Financing Entity Trustee is the trustee.

"**Financing Entity Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Financing Entity at such time.

"**Financing Plan**" has the meaning ascribed thereto in the Act.

"**Forecast**" has the meaning ascribed thereto in Section 4.01(c).

"**FSM**" has the meaning ascribed thereto in the second paragraph of the recitals of this Agreement.

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act.

"**General Regulation**" means O. Reg. 206/17 made under the Act.

"**Governing Document**" has the meaning ascribed to the term "governing document" in the General Regulation.

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

"**IESO**" has the meaning ascribed thereto in the Act.

"**Indenture Trustee**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Initial Forecast**" has the meaning ascribed thereto in Section 4.01(b).

"**Initial Forecast Period**" has the meaning ascribed thereto in Section 4.01(b).

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act.

"**Legislature**" means the Legislature of the Province of Ontario.

"**Lien**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Limited Guarantee**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

["**Management Agreement**" means the management agreement dated [■], 2017 between the Manager and the Financing Entity.]

["**Manager**" means OPG, in its capacity as manager of the Financing Entity under the Management Agreement.][7]

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, and acknowledged and accepted by the Indenture Trustee.

"**Obligations Secured**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**OPG**" has the meaning ascribed thereto in the first paragraph of this Agreement.

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

"**Primary Obligations**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Process Certificate**" has the meaning ascribed thereto in Section 3.01.

"**Program Agreements**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

[7]Note: To be confirmed if required. Also note that the draft Trust Indenture refers to OPG as the "manager" (rather than "Financial Services Manager" as under the Act). To be reconciled.

"**Proposed Assumption Date**" has the meaning ascribed thereto in Section 6.01.

"**Protection Agreement Maximum**" means the dollar amount determined by the Province and of which OPG is provided written notice in accordance with Article IV.

"**Protection Event**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

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

"**Rating Agency**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Repayment**" has the meaning ascribed thereto in the General Regulation.

"**Security Interest**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Specified Creditors**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Supplemental Reserve Account**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

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

"**Transaction Document**" means (i) all constating and organizational documents of the Financing Entity, including the Declaration of Trust; (ii) any management, administration or servicing agreement to which the Financing Entity is a party, including any replacement or standby services agreement, the Administrative Services Agreement and the Management Agreement; (iii) the Master Transfer and Servicing Agreement between the Financing Entity and the IESO; (iv) Trust Indenture; (v) the form of supplemental indenture (supplemental to the Trust Indenture) governing the terms and conditions of a sample series of notes, bonds or other securities to be issued by the Financing Entity, including the particular allocations, security and priority of the Obligations Secured being serviced by the related Investment Interest and any other related series property; (vi) the form of any note, bond or securities purchase agreement; (vii) the form of underwriting agreement, agency agreement, selling agreement and/or subscription agreement that may be used with respect to a sale of a related series of notes, bonds or securities to be issued under the supplemental indenture referred to in (v), above; (viii) the form of any loan or credit agreement governing the issuance of short term loan obligations by the Financing Entity; (ix) the form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; (x) the form of any other agreement or instrument under which a Funding Obligation may arise or be effected,

including any other agreement under which the Financing Entity incurs a material financial obligation or that affects the Province's subrogation rights and/or subrogee interests, including any standby liquidity arrangements or credit enhancement agreements; (xi) if applicable, a Co-Owner Agreement or any other agreement governing the respective interests of persons having rights or interests in the investment asset or other assets of the Financing Entity, including any other agreement of the sort contemplated in Subsection 29(5) of the Act; and (xii) the form of Disclosure Document.

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

EXHIBIT A
FORM OF ELECTION NOTICE

(form of Assumption Agreement to be attached, once settled)

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

AND

[FINANCING ENTITY TRUSTEE] IN ITS CAPACITY AS TRUSTEE OF THE [FINANCING ENTITY]

AND

ONTARIO POWER GENERATION INC., AS FINANCIAL SERVICES MANAGER

AND

[NAME OF INDENTURE TRUSTEE], AS INDENTURE TRUSTEE

CHANGE OF LAW PROTECTION AGREEMENT

Dated as of [■], 2017

This **AGREEMENT**, among Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and the Minister of Finance (the "**Province**"), **[FINANCING ENTITY TRUSTEE]**, as the Financing Entity Trustee and in its capacity as trustee of the **[FINANCING ENTITY]**, a trust settled by the FSM under the laws of the Province of Ontario (the "**Financing Entity**"), Ontario Power Generation Inc. in its capacity as the Financial Services Manager in accordance with the Act (the "**FSM**") and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada, as Indenture Trustee and in its capacity as trustee for the in accordance with the Trust Indenture, is made and entered into as of [■], 2017.

RECITALS

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

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

Pursuant to a Declaration of Trust dated as of ■, 2017, the FSM [established] the Financing Entity as a "financing entity"[1] (as defined in the Act) for the purposes contemplated in the Act.

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

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

OPG and the Province will concurrently enter into the Process Agreement, under which OPG will agree to perform certain related activities and to provide certain assurances on which the Province will rely, including for the purposes of determining whether the Adherence

[1] Note to Draft: Consideration is being given by MOE to possible changes to the Regulation to accommodate the proposed use of a "trust", as a "financing entity".

Conditions have been satisfied in connection with the incurrence or amendment of an Approved Obligation and ensuring that the Province's assumption right may be exercised without impediment on the terms and conditions contemplated in this Agreement.

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

AGREEMENT OF THE PARTIES

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

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

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

(a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A;

(b) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;

(c) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;

(d) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;

(e) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;

(f) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

(g) all references in this Agreement to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits" and other subdivisions are to the designated Articles, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit or other subdivision;

(h) "including" and words of similar import will be deemed to be followed by "without limitation"; and

(i) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.02 Trustee to act in accordance with the Trust Indenture

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

1.03 Proof of Approved Obligations

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

Any statement of account prepared by the Indenture Trustee as regards the Primary Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due and payable by the Financing Entity to the Beneficiaries and/or the Indenture Trustee and the Province hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Indenture Trustee agrees to provide the Province with the computations and calculations used by the Indenture Trustee to prepare each such statement of account promptly following a request therefor.

1.04 Limitation on Rights of and Actions by Specified Creditors

Specified Creditors, as Beneficiaries, shall not have or be permitted to exercise any rights, interests, or elections under this Agreement, other than in the manner and to the extent effected and exercised through the Indenture Trustee under, in accordance with and subject to the limitations set forth in the Trust Indenture. No Specified Creditor will have any right to institute any proceeding, judicial or otherwise, with respect to this Agreement.

1.05 Province Retains Rights of Beneficiaries

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

1.06 Effect of Headings

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

1.07 Successors and Assigns

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

1.08 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.09 Governing Law

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

1.10 Proceedings Against the Crown Act

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

1.11 Attornment

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

1.12 Counterparts; Electronic Delivery

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

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

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

1.14 Non-Business Days

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

1.15 Waiver, Amendment

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

1.16 Interest Act

For the purpose of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest to which any rate of interest payable under this Agreement that is calculated on any basis other than a full calendar year is equivalent may be determined by multiplying such rate by a fraction, the numerator of which is the actual number of days in the calendar year in which such

yearly rate of interest is to be ascertained and the denominator of which is the number of days comprising such other basis. The parties further agree that for the purposes of the *Interest Act* (Canada), (a) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement, and (b) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

1.17 Currency

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

1.18 References to Acts of the Financing Entity Trustee

For greater certainty, where any reference is made in this Agreement, or in any other instrument executed pursuant hereto or contemplated hereby to which the Financing Entity or the Financing Entity Trustee, as trustee of the Financing Entity, is party, to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to (i) the Financing Entity or (ii) the Financing Entity Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to, the Financing Entity Trustee as trustee of the Financing Entity.

1.19 Judgment Currency

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

(b) The term "rate of exchange" in this Section 1.18 means the spot rate at which the Indenture Trustee, in accordance with normal practice, is able on the relevant date to purchase the Original Currency with the Second Currency and includes any premium and costs of exchange payable in connection with such purchase.

ARTICLE II
AGREEMENT TO PERFORM APPROVED OBLIGATIONS

2.01 Limited Guarantee

(a) Upon the occurrence of a Protection Event, the Indenture Trustee may provide a written demand, in the form attached as Exhibit A (a "**Payment Demand**") to the Province requiring the Province to pay the Approved Obligations owing from time to time by the Financing Entity to the Indenture Trustee as and when they become due and payable, without Acceleration. A Payment Demand will not be valid with respect to an Approved Obligation until the amount claimed becomes due and payable in respect of the Approved Obligation (without Acceleration) in accordance with the Trust Indenture and has not otherwise been paid by the Financing Entity.

(b) Following receipt of a valid Payment Demand under Subsection 2.01(a), the Province shall pay the amounts owing by the Financing Entity to the Indenture Trustee, on behalf of the applicable Beneficiaries, in respect of each Approved Obligation[2], in each case as and when the Approved Obligation becomes due and payable in accordance with its terms and on its scheduled, specified or determined payment date, as determined without regard to any Acceleration or rights of Acceleration arising under the Approved Obligation, in each case by the Province depositing or causing the deposit of the applicable payment amount into the Collection Account (the "**Limited Guarantee**"). For greater certainty, the Limited Guarantee will not apply to any amount or obligation of the Financing Entity that is not or does not arise under an Approved Obligation, including (i) any amounts that are or become payable as a result of the exercise of an option of the Financing Entity following a Protection Event, and [(ii) amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account, Finance Reserve Account or a Supplemental Reserve Account.][3]

[2] Note: Under Subsection 5(3) of the Act, the Province can guarantee only obligations "associated with an investment interest". The guarantee in Section 2.01 of the draft agreement guarantees "Approved Obligations" which in turn relies on the definition of Primary Obligations. The connection between a Primary Obligation and an "investment interest" is therefore crucial. Unfortunately, the nexus is not straightforward. Blakes is considering how to more precisely connect these concepts.

[3] Note: OFA to confirm whether the Limited Guarantee will extend to require the Province to fill sinking fund and collateral accounts during the period when the Province is required to make payments. If not, then we will need to consider the impact on ratepayers and the potential impact on the CEA calculations, which will have been based originally on these deposits being made during particular reference periods.

(c) Except as expressly provided in this Agreement, the Province's obligation to provide and perform the Limited Guarantee shall be irrevocable, absolute and unconditional.

(d) Any amount payable by the Province under the Limited Guarantee in respect of an Approved Obligation that is not paid when required herein shall bear interest from the applicable due date until paid in full at the rate or rates expressed to be payable on the Approved Obligation.

(e) The right to deliver a Payment Demand and thereupon enforce the Limited Guarantee shall constitute the only remedy available to the Indenture Trustee under this Agreement. Under no circumstances shall the Province be obligated to pay or indemnify the Indenture Trustee or any Beneficiary for consequential, special or punitive damages, or for economic loss or loss of profits.

2.02 Gross-up

[All amounts payable by the Province under this Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Province is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Province shall deposit into the Collection Account such additional amount as is necessary to ensure that the Indenture Trustee receives (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise due and payable in respect of the related Approved Obligation, net of any such taxes, charges, fees, levies, duties or withholdings.][4]

2.03 Absence of Set-off

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

2.04 Payment into Collection Account in Satisfaction

Notwithstanding the priority of payment requirements set forth in the Trust Indenture and any legal rule concerning the imputation of payments, the Indenture Trustee shall apply the full amount paid by the Province into the Collection Account in respect of an Approved Obligation to pay the corresponding amount due and payable to the applicable Beneficiaries under the Approved Obligation.[5] Upon a payment having been made by or on behalf of the Province into

[4] Province to advise on extension of a tax gross up. We assume this is necessary, although we have not discussed it specifically and it may be that we delete this provision on the basis that the determination of a tax gross up (and the Province's liability for it) will be based on the inclusion of that concept in the Trust Indenture itself.

[5] Note: This will need to operate in tandem with the Trust Indenture waterfall. The idea is that the Approved Obligations may not necessarily follow the sequence of the "payment waterfall" included in the Trust Indenture, and so amounts from the Province would need to operate independently. To be discussed with Torys.

the Collection Account in respect of an Approved Obligation, the amount so paid shall for all purposes be considered to have been applied to pay the applicable Beneficiaries and thereby reduce the amount due and payable under the Approved Obligation, whereupon an affected Beneficiary shall have no continuing rights, interests or entitlements (including rights as a secured party) in respect of the Approved Obligation to the extent so paid[6].

2.05 Certain Waivers

The Province hereby waives:

(a) any requirement, and any right to require, that any power be exercised or any action be taken against the Financing Entity or any Collateral for any of the Approved Obligations;

(b) all notices which may be required by applicable law to preserve any rights against the Province hereunder, including any notice of default, demand, dishonour, presentment and protest;

(c) diligence; and

(d) any defence based upon, arising out of or in any way related to any claim that any election of remedies by the Beneficiaries impaired, reduced, released or extinguished any rights that the Province might otherwise have had against the Financing Entity or any other surety.

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

2.06 Additional Security

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

2.07 Continuing Liability of the Province

The Approved Obligations shall be deemed not to have been paid, observed or performed, and the liability of the Province hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Financing Entity, or out of the proceeds of any Collateral, is recovered from or reimbursed by or for the account of any of the Beneficiaries for any reason, including a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the

[6] Note: Consider if Beneficiary rights under Obligations Secured can in fact be affected in this way under an agreement to which a Beneficiary is not directly a party. To achieve a binding relationship, a corresponding provision should appear in the Trust Indenture, to the effect that the Beneficiaries will be deemed to be bound by the Indenture Trustee insofar as the Beneficiaries rights against the financing entity are to be affected.

Approved Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by any of the Beneficiaries (whether or not consented to by the Financing Entity or the Province) of any claim for any such recovery or payment over.

2.08 Continuance of the Limited Guarantee

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

2.09 Modifications of Approved Obligations

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

(a) accept new, additional or replacement instruments, documents, agreements or security in connection with all or any part of the Approved Obligations;

(b) accept partial payments on the Approved Obligations; and

(c) waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Approved Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Indenture Trustee (for the benefit of the Beneficiaries) in its discretion may determine,

provided, however, that the Indenture Trustee shall not permit any change, modification, alteration, amendment, supplement, extension, renewal, compromise, novation, replacement, suspension or waiver of the terms of all or any part of the Approved Obligations or any Collateral therefor expect with the prior written consent of the Province having first been obtained.

ARTICLE III
THE INDENTURE TRUSTEE

3.01 The Indenture Trustee

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

3.02 Acceptance of Trusts

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

ARTICLE IV
APPROVED OBLIGATIONS

4.01 Approval Process

A Primary Obligation shall constitute an Approved Obligation if (a) the Adherence Conditions applicable thereto have been satisfied; or (b) the Province has specifically approved in writing the particular terms, conditions and documentation for the Primary Obligation.

4.02 Adherence Conditions

The following shall be the Adherence Conditions applicable in relation to a Primary Obligation:

(a) the Primary Obligation is contemplated under the Trust Indenture as an Obligation Secured;

(b) if the Primary Obligation is a [borrowing][7], at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments[8] under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations,[9] do not exceed the Protection Agreement Maximum;

(c) the FSM delivers a notice to the Indenture Trustee, with a copy to the Province, not less than ■ Business Days and not more than ■ Business Days prior to the incurrence or any amendment of the Primary Obligation, setting out the Protection Agreement Maximum;

(d) the FSM delivers a certificate signed by the Chief Financial Officer and the Treasurer of OPG (or their respective designees, provided that such designees are executive officers of OPG) and addressed to the Province and the Indenture Trustee, not less than ■ Business Days and not more than ■ Business Days prior

[7] Under consideration. Need to ensure that non-conventional instruments (capital rather than debt) are caught in the maximum test.

[8] Note: The concept of "repayments" under the OFHPA take account of contemplated refinancings. There is some risk that an anticipated refinancing would not manifest as contemplated, in which case the amount financed (and subject to the Limited Guarantee) could exceed the Protection Agreement Maximum and result in a balloon payment obligation.

[9] Note: If certain financing entity obligations are guaranteed under a one-off agreement, the interaction between the one-off guaranteed amount and Approved Obligations that are looked at to determine if incurrence of a new Primary Obligation is within the Protection Agreement Maximum will need to be considered.

to the incurrence or any amendment of the Primary Obligation, setting out the following with respect to the Primary Obligation:

i. if the Primary Obligation is a [borrowing], confirmation that, at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations, do not and will not exceed the Protection Agreement Maximum; and

ii. confirmation that the FSM has delivered to the Province a certificate in accordance with the Process Agreement confirming, among other things, that the transaction documents in respect of the Primary Obligation are in substantially the form of the documentation reviewed by the Province; and

(e) the Province has not provided notice to the Indenture Trustee that a Breach Event has occurred and that the Limited Guarantee does not apply to any further Primary Obligations that are incurred.[10]

4.03 Evidence of Satisfaction

A closing certificate signed by at least two executive officers of OPG in connection with an incurrence or amendment of a Primary Obligation shall be determinative as to whether the applicable Adherence Conditions with respect thereto have been satisfied, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defect or deficient, and such closing certificate may be relied upon by any addressee as conclusive evidence of same.

ARTICLE V
RIGHTS OF THE PROVINCE

5.01 Assignment and Subrogation

Upon paying an amount in respect of an Approved Obligation

(a) to or at the direction of the Indenture Trustee in satisfaction of the Limited Guarantee; or

(b) as a result of assuming the Financing Entity's obligations in respect of all Obligations Secured under Article VI,

the Province (in addition to and without prejudice to any rights it otherwise has in law or equity) shall be subrogated and entitled to all of the applicable Beneficiary's rights and interests under and in respect of the Approved Obligation to the extent of such payment, including (a) the right and entitlement to be paid and receive distributions of such amount by the Financing Entity in accordance with and in the priority applicable to the Approved

[10] NTD: Carve-out for re-financings of Approved Obligations already in existence is under consideration.

Obligation applicable in respect of the payment under the Trust Indenture, (b) the benefits of the related Collateral and (c) all proceeds therefrom. The Province shall have and be entitled to enforce all rights and interests (including as a secured party under the Trust Indenture) under such Approved Obligation as an absolute assignee of the applicable Beneficiary, with effect from and after the time of such payment, without any further requirement for notice to or acceptance by the Financing Entity of such absolute assignment and without any reduction, set-off or counterclaim on account of any amounts that may, at or after the time of payment, be or become owing by the Beneficiary to the Financing Entity and unaffected by any other rights or equities that arise thereafter as between the Beneficiary and the Financing Entity. The Indenture Trustee shall recognize the Province as being entitled to all of the rights, interests and entitlements of the Beneficiary (including, if applicable, as a Noteholder) in respect and to the extent of the Approved Obligation so paid, determined as of the time of payment, for all purposes under the Trust Indenture, and the Province shall be treated as a Specified Creditor in respect thereof for all purposes under the Trust Indenture and any other agreement under which the Approved Obligation arises.

5.02 Priorities

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

5.03 Voting Rights under "Outstanding Notes"

Notwithstanding the last three sentences of the definition of "Outstanding" in the Trust Indenture[11]:

(a) Notes in connection with Approved Obligations in respect of which the Province has rights and interest pursuant to Section 5.01 shall be regarded as "Outstanding" within the meaning of the Trust Indenture; and

(b) in determining whether Noteholders of the requisite principal amount of Notes that are Outstanding (as defined in the Trust Indenture) have taken any Action under the Trust Indenture, and for the purposes of Article X of the Trust Indenture, the Province shall be deemed to have the amount of Outstanding (as defined in the Trust Indenture) Notes in proportion to its interest in such Notes based on the amounts that the Province has paid in respect of Approved Obligations under this Agreement.

[11] Note: This concept should be reflected in the Trust Indenture to be effective. Additional scenarios where the Province's rights as an affiliate of OPG may differ from what is expected are to be identified in the underlying Program Agreements.

5.04 Province May Perform Other Program Agreement Covenants.

If the Financing Entity fails to perform any covenant under any Program Agreement, the Province may (but, except as expressly provided for under this Agreement, shall not be obligated to) perform such covenant on behalf of the Financing Entity. If the Province performs such a covenant on behalf of the Financing Entity, all sums expended or advanced by the Province in so performing the covenant will bear interest at the rate of interest determined by the Province to reflect market terms and conditions for a borrowing made by the Province at the relevant time from the date of expenditure until repayment by the Financing Entity [and will (together with such interest) be paid by the Financing Entity upon demand and will until paid form part of the Obligations Secured and constitute a Finance Amount.[12]

ARTICLE VIL
NOTICE OF ASSUMPTION OF OBLIGATIONS SECURED

6.01 Delivery of Assumption Notice

The Province may provide notice (in the form of Exhibit B) to the Indenture Trustee that, in accordance with the terms of the Process Agreement, the Province has elected to assume the Financing Entity's obligations in respect of all Obligations Secured, as obligor and debtor (the "**Assumption Notice**"). The Assumption Notice shall specify the date on which the assignment and assumption of the Obligations Secured will be effective (the "**Assumption Closing Date**").

6.02 Cooperation to Implement the Assignment and Assumption

The Indenture Trustee, the FSM, the Financing Entity and the Province will cooperate and use [commercially reasonable efforts] to complete the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province, by the Assumption Closing Date.[13]

6.03 Effect of Assumption

On the date that the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province becomes effective (the "**Assumption Effective Date**"), the Province shall no longer be required to provide and perform the Limited Guarantee.

6.04 Interim Period

Until the effective time of the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province on the Assumption Effective Date, the Province shall continue to perform and be obligated under the Limited Guarantee.

[12] Note: General Regulation must be revised such that "Finance Amount" picks up guarantor amounts. Under consideration by MOE.

[13] Note: Further details regarding obtaining of third party consents and rating agency approvals to be considered.

ARTICLE VII
INDENTURE TRUSTEE MATTERS

7.01 Limited Recourse

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

7.02 Not Responsible for Recitals or Issuance of Notes

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

7.03 Representations and Covenants of the Indenture Trustee

The Indenture Trustee represents, warrants and covenants that:

(a) the Indenture Trustee is a trust company organized, existing and in good standing under the laws of Canada;

(b) the Indenture Trustee has full power and authority to execute, deliver and perform this Agreement and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement and other documents to which it is a party;

(c) each of this Agreement and the other documents to which it is a party has been duly executed and delivered by the Indenture Trustee and constitutes its legal, valid and binding obligation in accordance with its terms; and

(d) the Indenture Trustee is authorized to carry on the business of a trust company in each of the provinces and territories of Canada.

7.04 Release of all Collateral

(a) The Indenture Trustee shall not execute instruments to release Collateral from the Security Interest of the Trust Indenture, or convey the Indenture Trustee's interest (which is held by the Indenture Trustee for the benefit of the Specified Creditors) in the same, unless and until the rights and interests of the Province under Section 5.01 or otherwise as an assignee of any of the Obligations Secured or as a

subrogee have been satisfied in full and the Province has no continuing obligations under this Agreement.

(b) The Province shall be entitled to receive at least 10 Business Days' written notice when the Indenture Trustee proposes to take any action pursuant to Subsection 7.04(a), accompanied by copies of any instruments involved.

7.05 Right to Notice and Attend Meetings

The Financing Entity shall ensure that the Province receives advance notice of any meeting or proposed written resolution of Specified Creditors (or any of them) and the Province and its legal advisers shall be permitted to attend and be represented at any meeting of such Specified Creditors.

ARTICLE VIII
SUSPENSION OF ADHERENCE FOR NEW PRIMARY OBLIGATIONS

8.01 Suspension Notice

A written notice in the form of Exhibit C (a "**Suspension Notice**"):

(a) shall be provided by the FSM to the Province and the Indenture Trustee promptly following the occurrence of a Program Breach; and

(b) may be provided by the Province to the Indenture Trustee, the FSM and the Financing Entity following the occurrence of a Breach Event.

8.02 Suspension

If a Suspension Notice has been provided under Section 8.01 (the provision of such notice being a "**Suspension Event**"), the Financing Entity shall not incur any new or additional Obligation Secured and shall not amend or terminate any existing Obligation Secured except with the prior written consent of the Province.

8.03 Termination Notice

On the occurrence of a Suspension Event, the Province may provide to the Indenture Trustee, the FSM and the Financing Entity a notice in the form of Exhibit D (a "**Termination Notice**").

8.04 No Impact on Adherence

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

ARTICLE IX
MISCELLANEOUS

9.01 Term of Agreement

This Agreement will continue until the later of:

(a) the date that no amount is or may become due and payable by the Province under the Limited Guarantee; and

(b) the date that a Termination Notice is received by the Indenture Trustee, the FSM and the Financing Entity.

9.02 Notices

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

(a) if to the Financing Entity:

[Financing Entity]
c/o Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]
Email: [■]

with copies to:

[Financing Entity Trustee], in its capacity as Financing Entity Trustee for
[Financing Entity]
[Address]
Attention: [■]

Fax: (416) [■]
Email: [■]

[■]

(b) if to the FSM:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]
Email: [■]

(c) if to the Province:

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

and

Ministry of Energy
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

(d) if to the Indenture Trustee:

[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

or to such other addresses as a party may from time to time notify the other parties in accordance with this Section 9.02.

9.03 Assignment

(a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties.

(b) Any purported assignment of this Agreement in violation of this Section 9.03 shall be null and void.

9.04 Enurement

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

9.05 FIPPA

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

9.06 Confidentiality

[Note: To be considered based on what would be customary and appropriate for similar types of arrangements and would be acceptable to the Province. Note that this Agreement will become part of the package of rights acquired by investors and counterparties and so it is unclear to what extent confidentiality can or should be preserved in these circumstances.]

9.07 No Petition

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

9.08 Force Majeure

In no event shall the Indenture Trustee or the Financing Entity Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Indenture Trustee and the Financing Entity Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

9.09 Delivery of Executed Copies

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

[Signature page to follow]

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

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

By: _____
Name:
Title:

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

By: _____
Name:
Title:

ONTARIO POWER GENERATION INC., AS FSM

By: _____
Name:
Title:

By: _____
Name:
Title:

[FINANCING ENTITY TRUSTEE], IN ITS CAPACITY AS FINANCING ENTITY TRUSTEE FOR [FINANCING ENTITY]

By: _____
Name:
Title:

[INDENTURE TRUSTEE], AS INDENTURE TRUSTEE AND NOT IN ITS INDIVIDUAL CAPACITY

By: _____
Name:
Title:

SCHEDULE A
DEFINED TERMS

"**Acceleration**" has the meaning ascribed to the term "acceleration"[14] in the General Regulation.

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

"**Action**" has the meaning ascribed thereto under the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

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

"**Assumption Closing Date**" has the meaning ascribed thereto in Section 6.01.

"**Assumption Effective Date**" has the meaning ascribed thereto in Section 6.03.

"**Assumption Notice**" has the meaning ascribed thereto in Section 6.01.

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

"**Breach Event**" means the occurrence or existence of any one or more of the following: (a) a default in the performance, or breach, of any covenants of OPG under the Process Agreement; or (b) any representation or warranty made by OPG, or any certification made by OPG under the Process Agreement, proves to be incorrect in any material respect on the date made; or (c) OPG is no longer the FSM, the Administrative Agent or the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove OPG as the FSM, the Administrative Agent or the Manager.

"**Business Day**" means (a) any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are [, or the office of the Indenture Trustee is,] authorized or obligated by applicable law, regulation or executive order to be closed.

"**Capital Account**" has the meaning ascribed to the term "capital account" in the General Regulation.

"**Change of Law Protection Agreement**" means this Agreement.

[14] Note: A proposal to add this concept into the Regulation is under consideration by MOE. Further modifications to follow, depending on that process.

"**Collateral**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

"**Collection Account**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

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

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

"**Finance Reserve Account**" has the meaning ascribed to the term "finance reserve account" in the General Regulation [as of the date of this Agreement].

"**Financing Entity**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Financing Entity Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Financing Entity at such time.

"**FSM**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act [as of the date of this Agreement].

"**General Regulation**" means O. Reg. 206/17 made under the Act.

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

"**IESO**" has the meaning ascribed thereto in the Act [as of the date of this Agreement].

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

"**Investment Interest**" has the meaning ascribed to the term "Investment Interest" in the Act [as of the date of this Agreement].

"**Legislature**" means the Legislature of the Province of Ontario.

"**Limited Guarantee**" has the meaning ascribed thereto in Section 2.01(b).

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, and acknowledged and accepted by the Indenture Trustee.

"**Note**" or "**Notes**" has the meaning ascribed thereto under the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Noteholder**" has the meaning ascribed thereto under the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Obligations Secured**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**OIC**" has the meaning ascribed thereto in the second paragraph of the recitals in this Agreement.

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

"**Original Currency**" has the meaning ascribed thereto in Section 1.18(a).

"**Payment Demand**" has the meaning ascribed thereto in Section 2.01(a).

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

"**Primary Obligations**" means any Obligation Secured that is a Funding Obligation, other than (a) any amounts that are or become payable as a result of the exercise of an option of the Financing Entity following a Protection Event; and [(b) any amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account, Finance Reserve Account, or Supplemental Reserve Account.][15]

"**Process Agreement**" means the Change of Law Process Agreement dated [■], 2017 between the Province and OPG.

[15] Note: Possible simplification of definition structure under consideration.

"**Program Agreements**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

"**Protection Agreement Maximum"** means the dollar amount determined by the Province and of which OPG is provided notice in accordance with the Process Agreement.[16]

"**Protection Event**" means the occurrence of any of the following events:

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

(ii) the Legislature enacts or amends any other statute;

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

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

(v) there is a change in the organization or structure of the IESO or Ontario's electricity market[17] undertaken at the initiative of the Province or an entity controlled by the Province,

in each case, that materially and adversely affects (a) the ability of the Financing Entity to receive amounts on its Investment Interest so that it can pay Obligations Secured, or (b) this Agreement or any of the agreements under which Obligations Secured arise, other than if the Indenture Trustee has confirmed in writing that the effect under such agreements is otherwise acceptable; or

(b) a court of competent jurisdiction [in a final and non-appealable judgement][18] determines that all or a portion of the Act or the regulations made under the Act, as in effect on the date hereof, is *ultra vires* or invalid in a way that materially and

[16] Note: An alternative would be to expressly state the Program Agreement Maximum amount and the process by which this amount is determined in this Agreement.

[17] Note: Consider more clarity to "Ontario's electricity market".

[18] Under consideration to assess the marketability implications of this phrase.

adversely affects the ability of the Financing Entity to receive amounts on its Investment Interest so that it can pay Obligations Secured.

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

"**Repayment**" has the meaning ascribed thereto in the General Regulation.

"**Second Currency**" has the meaning ascribed thereto in Section 1.18(b).

"**Security Interest**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Specified Creditors**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Supplemental Reserve Account**" has the meaning ascribed in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Suspension Event**" has the meaning ascribed thereto in Section 8.02.

"**Suspension Notice**" has the meaning ascribed thereto in Section 8.01.

"**Termination Notice**" has the meaning ascribed thereto in Section 8.03.

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

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

EXHIBIT A
FORM OF PAYMENT DEMAND

EXHIBIT B
ASSUMPTION NOTICE

EXHIBIT C
SUSPENSION NOTICE

EXHIBIT D
TERMINATION NOTICE

From:	Hanslep, Malle (MOF)
To:	Sarah Harris
Cc:	Tobias P. Whitfield (MOF)
Subject:	FW: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
Date:	Thursday, November 02, 2017 10:40:14 AM
Attachments:	23239361-v6-CLPA - Process Agreement.docx 23239360-v8-CLPA - Protection Agreement.docx

Hi Sarah, Meeting today from 12 to 3 to review this. Think it would be good if you can attend. Thanks.

From: Whitfield, Tobias P. (MOF)
Sent: November 2, 2017 9:41 AM
To: Strathy, Anna (OFA); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: RE: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Please find attached preliminary drafts of the Protection Agreement and the Process Agreement for discussion at our meeting this afternoon.

Note that these drafts contain a number of issues that are still under consideration and up for discussion.

Best

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Appointment-----
From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: November 2, 2017 8:31 AM
To: Anna Strathy; Whitfield, Tobias P. (MOF); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
When: November 2, 2017 12:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Executive Boardroom, 14th Floor, 1 Dundas OR Teleconference 1-866-602-5461 or 416-212-8011 | Conference ID: 4717656

Nov 2: Rescheduled from 10:00am to 12:00pm

MOF Legal is expecting a second draft between 9 and 10am today. The later meeting time will allow time to review prior to discussing.

Lunch will be provided

Toll-free dial-in number: 1-866-602-5461
Local dial-in number: 416-212-8011

Conference ID: 4717656
OFA to Moderate

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

Internal Draft: November 2, 2017

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

AND

ONTARIO POWER GENERATION INC.

CHANGE OF LAW PROCESS AGREEMENT

Dated as of [■], 2017

This **CHANGE OF LAW PROCESS AGREEMENT**, between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the "**Province**"), and Ontario Power Generation Inc. ("**OPG**"), is made and entered into as of [■], 2017.

RECITALS

OPG is appointed as the Financial Services Manager under Section 18 of the *Ontario Fair Hydro Plan Act, 2017* (the "**Act**").

Pursuant to Section 22(2) of the Act, OPG, in its capacity as the Financial Services Manager (the "**FSM**"), may establish or cause to be established one or more financing entities (as defined in the Act), which may incur Funding Obligations in accordance with the Act.

Pursuant to a Declaration of Trust dated as of ■, 2017, the FSM [established] the Financing Entity as a "financing entity" (as defined in the Act) for the purposes contemplated in the Act.

Concurrent with this Agreement, the Province, the FSM, the Financing Entity and the Indenture Trustee will enter into the Change of Law Protection Agreement under which the Province will agree to provide protections and assurances to the Indenture Trustee, for the benefit of the Beneficiaries, in respect of Obligations Secured that constitute Approved Obligations, in order to address concerns that would arise from a change or adverse determination of law, subject in each case to the satisfaction of the Adherence Conditions at the time the Approved Obligation is incurred or amended.

This Agreement sets out the obligations OPG has agreed to perform and assurances OPG has agreed to provide and on which the Province will rely in entering into and implementing the Change of Law Protection Agreement, including for the purposes of determining whether the Adherence Conditions have been satisfied in connection with the incurrence or amendment of an Approved Obligation, maintaining information related to the Program Agreement and the Approved Obligations, and ensuring that the Province's assumption rights pursuant to Article VI of the Change of Law Protection Agreement may be exercised without impediment on the terms and conditions contemplated in this Agreement and the Change of Law Protection Agreement.

All things necessary to make this Agreement a valid and legally binding agreement of OPG, and of the Province in accordance with the Act and the OIC, have been done.

AGREEMENT OF THE PARTIES

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

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

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

(a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A;

(b) the terms used in this Agreement that are not defined in this Agreement shall have the meanings assigned to them in the Change of Law Protection Agreement;

(c) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;

(d) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;

(e) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;

(f) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;

(g) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

(h) all references in this Agreement to designated "Sections", "Subsections" "Schedules", "Exhibits" and other subdivisions are to the designated, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, Subsection, Schedule, Exhibit or other subdivision;

(i) "including" and words of similar import will be deemed to be followed by "without limitation"; and

(j) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.02 References to the Financing Entity or the Financing Entity Trustee

For greater certainty, each reference to the Financing Entity or to the Financing Entity Trustee shall be construed as a reference to the Financing Entity Trustee, as trustee of the Financing Entity.

1.03 Effect of Headings

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

1.04 Successors and Assigns

All covenants and agreements in this Agreement by the parties will bind their respective successors and permitted assigns, whether so expressed or not.

1.05 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.06 Governing Law

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

1.07 Proceedings Against the Crown Act

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

1.08 Attornment

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

1.09 Counterparts; Electronic Delivery

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

1.01 Change of Law Process Agreement Referred to in the Change of Law Protection Agreement

This Agreement is the "Change of Law Process Agreement" referred to in the Change of Law Protection Agreement.

1.10 Non-Business Days

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

1.11 Waiver, Amendment

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

ARTICLE II
COVENANTS OF OPG

2.01 Deliveries to the Province

(a) Not less than ■ Business Days prior to the initial issuance of any Funding Obligation by the Financing Entity, OPG shall deliver to the Province a copy of

the initial Financing Plan. Thereafter, OPG shall promptly deliver to the Province a copy of any proposed change to or replacement of the Financing Plan.

(b) Not less than ■ Business Days prior to the initial issuance of any Funding Obligation by the Financing Entity, OPG shall deliver to the Province an analysis and assessment of the tax position of the Financing Entity. Thereafter, OPG shall promptly deliver to the Province a copy of any proposed change to or replacement of such analysis and assessment.

(c) Not less than ■ Business Days prior to any proposed change, addition or supplement to a Transaction Document becoming effective or otherwise being used, OPG shall deliver to the Province a copy of such proposed change, addition or supplement to the Transaction Document.

(d) Promptly following any incurrence of a Funding Obligation or any amendment of a Funding Obligation, OPG shall provide the Province with electronic copies of all related Governing Documents and all other closing documents executed by or on behalf of the Financing Entity in connection with such incurrence or amendment that would affect the Financing Entity's assets or obligations (including, for greater certainty, any related Disclosure Document).

(e) Promptly upon request, OPG shall provide the Province with such additional information and documentation as the Province requests in order to enable the Province to assess the nature and extent of its obligations under the Change of Law Protection Agreement.

(f) OPG shall, as the FSM, cause the Financing Entity to deliver to the Province copies of the Financing Entity's annual tax returns and any related tax assessment not more than ■ Business Days after such a tax return or tax assessment is required to be filed under applicable law.[1]

2.02 Covenants

(a) OPG shall, as the FSM, cause the Financing Entity to:

(i) punctually perform and observe all of its obligations and agreements contained in the Program Agreements;

(ii) ensure that all Obligations Secured are incurred pursuant to and in accordance with the terms and conditions of the Trust Indenture;

(iii) ensure that no obligations other than the Obligations Secured are incurred by or on behalf of the Financing Entity;

[1] Note: The tax documents to be provided to the Province are under consideration.

(iv) not engage in any business other than as permitted under the Declaration of Trust or the other Program Agreements and activities ancillary thereto; and

(v) not, without the prior written consent of the Province:

(A) amend, supplement, modify, restate or replace or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to any of the Program Agreements, if any such supplementation, amendment, modification, restatement or replacement or waiver or consent could reasonably be considered to be materially prejudicial to the rights or interests of the Province under the Change of Law Protection Agreement;

(B) consent to the resignation of (1) the Administrative Agent under the Administrative Services Agreement; or (2) the Manager under the Management Agreement;

(C) consolidate or merge with or into any other Person;

(D) permit the validity or effectiveness of the Change of Law Protection Agreement to be impaired;

(E) permit any Lien (other than the Security Interest) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the proceeds thereof;

(F) sell, transfer, exchange or otherwise dispose of any of the Collateral, other than as expressly permitted by the Trust Indenture;

(G) release any security or guarantee in respect of the Collateral other than as expressly permitted by the Trust Indenture; or

(H) voluntarily dissolve or liquidate.

(b) OPG shall:

(i) comply, and as the FSM cause compliance by the Financing Entity, with the Act, the General Regulation and any other enactment related thereto;

(ii) promptly notify the Province of the creation of any Funding Obligation that is not or would not be an Approved Obligation;

(iii) after the occurrence of any Protection Event (or any event that with the passage of time or the giving of notice would be a Protection Event), not, without the Province's prior written consent, permit the Financing Entity to exercise any redemption, pre-payment, early termination or extension

right in respect of any Approved Obligation or exercise any other election or privilege in respect of any Approved Obligation, in each case if as a result the obligations applicable to the Approved Obligation under this Agreement would be accelerated, delayed or otherwise affected; and

(iv) ensure that any disclosure (including any Disclosure Document) that refers to or describes the terms, effect or adherence of or to this Agreement will be subject to the prior review of the Province and such disclosure will not be made (and any such Disclosure Document shall not be used) without the prior written consent of the Province.

ARTICLE III
PROCESS CERTIFICATE

3.01 Process Certificate

OPG shall deliver a certificate (the "**Process Certificate**"), signed by the Chief Financial Officer and the Treasurer of OPG (or their respective designees, provided that such designees are also executive officers of OPG) and addressed to the Province, not less than ■ Business Days prior to the incurrence or any amendment of a Primary Obligation, setting out the following with respect to the Primary Obligation:

(a) the material terms of the Funding Obligations pertaining to principal amount, pricing and third party fees;[2]

(b) if an existing Primary Obligation is proposed to be amended, material details respecting such amendment and the anticipated effect of the amendment on or in relation to the affected terms and conditions of the Primary Obligation, including regarding the applicable details set forth in Subsection 3.01(a), as the context requires;

(c) a statement that: (i) the Primary Obligation to be incurred or amended (1) will arise under terms and conditions that are Substantially in the Form of the Reviewed Documentation applicable thereto; (2) in the opinion of the signatories to the Process Certificate, are reasonably incurred in compliance with the Act, the General Regulation, any other enactments related thereto and the applicable Financing Plan; (3) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and (4) reflect, in all material respects, arm's length terms and conditions; and (ii) any Disclosure Document used in connection with the offering and sale of notes, bonds or other securities is Substantially in the Form of the Reviewed Documentation;

[2] Note: Level of detail required by the Province is under consideration. Province to consider whether it would like further details regarding Principal Obligations, Redemption Obligations, Interest Obligations, Hedging Obligations, Third Party Expense Obligations or Other Funding Obligations. In desirable, particulars regarding Hedging Obligations and the market in which notes are issued to be considered.

(d) a statement that no Breach Event has occurred on or prior to the date of the Process Certificate, unless such Breach Event has been waived by the Province in writing; and

(e) if the Primary Obligation is a [borrowing], confirmation that, at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations, do not and will not exceed the Protection Agreement Maximum.

3.02 Acknowledgment

The parties acknowledge that the Process Certificate is the certificate referred to in Subsection 4.02(d)(ii) of the Change of Law Protection Agreement.

3.03 Meaning of "Reviewed Documentation"

For the purposes of Subsection 3.01(c), the term "Reviewed Documentation" shall mean each Transaction Document (including any change, addition or supplement thereto) that, at the relevant time:

(a) has been provided to the Province in accordance with Subsection 2.01(c); and

(b) has been accepted by the Province, as confirmed by way of a written notice of acceptance from the Province delivered to OPG.

3.04 Meaning of "Substantially in the Form"

For the purposes of Subsection 3.01(c), the term "Substantially in the Form" shall mean:

(a) with respect to the Reviewed Documentation referred to in clauses (i) to (xi) of the definition of "Transaction Documents", that there are no differences between the proposed documents and such Reviewed Documentation that could result in a change in the material terms or conditions applicable to the applicable Primary Obligation, including regarding the timing of or circumstances under which related payments are or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization), or that would affect the Province's rights of subrogation or assignment (including pursuant to Section 5.01 of the Change of Law Protection Agreement) or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation;

(b) with respect to the Reviewed Documentation referred to in clauses (v) to (ix) of the definition of "Transaction Documents", and, where applicable, clauses (x) and (xi) of the definition of "Transaction Documents" as the context requires, that the variable terms to be set forth in the proposed documents are as reasonably contemplated in the Reviewed Documentation, as to the type, scope and extent of

the Primary Obligations arising thereunder and as to the timing, conditions and circumstances in which payment obligations under such Primary Obligations may arise, but without regard to the particular financial terms, rates and levels set forth in the proposed documents other than to the extent that the forms of Reviewed Documentation themselves specify specific requirements, limitations or parameters with respect to such financial terms, rates, levels and parameters; and

(c) with respect to the Reviewed Documentation referred to in clause (xii) of the definition of "Transaction Documents", that there are no material differences between the form and substance of the proposed Disclosure Document and such form of Disclosure Document and that the proposed disclosure document complies in all material respects with all securities disclosure requirements relating to the Primary Obligation subject to distribution thereunder.

ARTICLE IV
PROTECTION AGREEMENT MAXIMUM

4.01 Protection Agreement Maximum

(a) The initial Protection Agreement Maximum shall be determined by the Province prior to the initial issuance of the first Funding Obligation. The initial Protection Agreement Maximum will be confirmed by the Province by notice in writing to OPG, as the FSM.

(b) Not less than ■ Business Days prior to the proposed incurrence of the first Funding Obligation, OPG shall, as the FSM, deliver to the Province a forecast setting out OPG's expectations regarding the aggregate maximum amount of Repayments that would arise in the future under Approved Obligations to be incurred during the next following 24 month period (the "**Initial Forecast Period**"), which expectations shall be consistent with the applicable Financing Plan (the "**Initial Forecast**"). In determining the initial Protection Agreement Maximum, the Province may have regard to (but not be bound by) the Initial Forecast.

(c) Between nine (9) and twelve (12) months prior to the end of the Initial Forecast Period, OPG shall, as the FSM, deliver to the Province an updated forecast setting out the sum of (1) the aggregate amount of Repayments that will arise in the future under Approved Obligations that are then outstanding and (2) OPG's expectations regarding the aggregate maximum amount of Repayments that would arise in the future under Approved Obligations to be incurred during the period ending 24 months following the Initial Forecast Period, which expectation shall be consistent with then applicable Financing Plan. Such updated forecast shall be further updated on a similar basis with respect to each successive 24 month period or more frequently if at any time OPG has knowledge that the most recent forecast is materially inaccurate (the Initial Forecast and each such updated forecast, each a "**Forecast**").

(d) Upon receiving an updated Forecast, the Province shall determine whether or not the Protection Agreement Maximum will be revised. In determining whether the Protection Agreement Maximum will be revised, the Province may have regard to (but not be bound by) such updated Forecast. Any determination by the Province to revise the Protection Agreement Maximum will be confirmed by setting out a new Protection Agreement Maximum in a written notice from the Province to the FSM and the Indenture Trustee, the delivery of which will be conclusive evidence that such new Protection Agreement Maximum will apply until it may be further so revised.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

5.01 Representations and Warranties of OPG

OPG represents and warrants that on the date hereof and on each day that a Primary Obligation is incurred or amended:

(a) The Financing Entity is a trust duly constituted and validly existing under the laws of the Province of Ontario, is duly qualified to carry on its business in each jurisdiction in which it carries on business, and has the power and authority to perform the acts that OPG, as the FSM, shall cause it to perform pursuant to this Agreement and to own its property and carry on its business in accordance with the Program Agreements.

(b) OPG is a corporation duly constituted and validly existing under the laws of the Province of Ontario, is duly qualified to carry on its business in each jurisdiction in which it carries on business, has the power and authority to enter into and perform its obligations under this Agreement and all instruments and agreements delivered pursuant hereto and to own its property and carry on its business as currently conducted.

(c) OPG has been validly appointed, and has irremovably accepted such appointment, as the FSM in accordance with the Act. OPG has the power and authority to enter into and perform its obligations as the FSM under the Program Agreements and all instruments and agreements delivered pursuant thereto.

(d) The execution, delivery and performance of this Agreement and every instrument or agreement delivered pursuant hereto or in its capacity as the FSM has been or will be duly authorized by all requisite action by OPG and constitute a valid and binding obligation of OPG enforceable against OPG in accordance with its terms subject to (i) applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally, and (ii) equitable principles which may limit the availability of certain remedies, including the remedy of specific performance.

(e) There are no actions, suits or proceedings pending or, to the knowledge of OPG, threatened against or affecting OPG (including in its capacity as the FSM) or the

Financing Entity at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of OPG or the Financing Entity or in the ability of OPG or the Financing Entity to perform their respective obligations under the Program Agreements.

(f) There are no actions, suits or proceedings pending or, to the knowledge of OPG, threatened against or affecting OPG at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of OPG or in the ability of the OPG to perform its obligations under this Agreement or the Program Agreements.

(g) The performance by the Financing Entity of the Program Agreements does not conflict with, will not conflict with, does not result in, and will not result in, any breach of, and does not constitute, a default under, the Declaration of Trust or any agreements or instruments to which the Financing Entity is a party or by which it or any of its property and assets are bound.

(h) Neither the execution nor delivery of this Agreement, the Program Agreements nor any agreements or instruments delivered pursuant hereto or thereto, the consummation of the transactions herein or therein, nor compliance with the terms, conditions and provisions hereof or thereof conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under, any of the provisions of the constating documents of OPG or any agreements or instruments to which OPG is a party or by which it or any of its property and assets are bound.

(i) No consent, approval or authorization of, or declaration, registration, filing or qualification with, or giving of notice to, or taking of any other action in respect of, any Governmental Authority on the part of OPG is required in connection with the execution and delivery of this Agreement, the Program Agreements or any agreements or instruments delivered pursuant hereto or thereto or the consummation of any of the transactions contemplated hereby or thereby or in connection with the enforcement of this Agreement, the Program Agreements or any agreements or instruments delivered pursuant hereto or thereto, except those which have been obtained.

ARTICLE VI
ELECTION TO ASSUME APPROVED OBLIGATIONS

6.01 Election by the Province

At any time following the occurrence of a Protection Event, the Province may (but shall not be obligated) to elect to assume the Financing Entity's obligations in respect of all Obligations Secured, as obligor and debtor. To make such election, the Province shall duly

complete and deliver to OPG a notice in the form of Exhibit A (an "**Election Notice**"), which in turn will set forth the form of agreement (an "**Assumption Agreement**") setting forth the material terms and conditions under which the Province would assume and become obligated under each of the Obligations Secured. The Election Notice shall, among other things, specify the date on which the Province proposes to assume the Obligations Secured, which date shall be no earlier than 20 Business Days following delivery of the Election Notice to OPG (the "**Proposed Assumption Date**").

6.02 Details regarding Obligations Secured

Promptly following the delivery of the Election Notice to OPG, OPG shall provide the following information and documentation to the Province:

(a) a summary of the amounts that will be owing under all Obligations Secured as of the Proposed Assumption Date, together with a detailed schedule setting out the dates on which such amounts will become due and payable under the Obligations Secured;

(b) a summary of the rights arising under the Obligations Secured that permit the Financing Entity to assign the Obligations Secured to the Province, including details regarding any conditions precedent to such assignment and the related assumption becoming effective and any notices, filings, consents or other actions that will be required in order to implement and effect such assignment and assumption;

(c) current versions of all documentation under which the Obligations Secured arise;

(d) copies of all correspondence exchanged between OPG, as the FSM, or the Financing Entity, on the one hand, and any Specified Creditor, Rating Agency or the Indenture Trustee, on the other hand, in each case that may reasonably be considered to be material to the assumption and performance of the Obligations Secured by the Province;

(e) all income tax returns and assessments, financial statements and notices of proceedings of or pertaining to the Financing Entity or its business and any documentation related thereto, including any pleadings, appeals, objections, qualifications or other similar materials in respect of the Financing Entity or any Program Agreement; and

(f) a draft version of the Assumption Agreement prepared in relation to each Obligation Secured, prepared in accordance with and having regard to the requirements of the relevant agreement(s) under which the Obligation Secured arises.

6.03 Settlement of Terms

Within ■ Business Days following receipt by the Province of the information and documentation to be provided under Section 6.02, the Province shall confirm in writing whether

or not it will proceed with the assignment and assumption of the Obligations Secured and, if it will be proceeding with the assignment and assumption, the date on which the Province intends that assignment and assumption will be effected, which may not be earlier than the Proposed Assumption Date. If it will be proceeding with such assignment and assumption, the Province will deliver an Assumption Notice as contemplated under Section 6.01 of the Change of Law Protection Agreement, which will specify such date as the "Assumption Closing Date" for the purposes thereof.

6.04 Cooperation to Implement the Assignment and Assumption

OPG shall cooperate with the Province and, as FSM, will cause the Financing Entity to cooperate to complete the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province, by the applicable Assumption Closing Date.[3]

6.05 Terms of Obligations Secured

In order to permit the Province to assume the Obligations Secured in the circumstances contemplated herein, OPG will, and as FSM, will cause the Financing Entity to, ensure that all Obligations Secured permit such an assignment to and assumption by the Province substantially in accordance with the terms and on the basis contemplated in the Assumption Agreement, without any penalty or make-whole payment, or any requirement for further consent, approval or agreement, or alternatively, in the case of any Obligations Secured entered into by or on behalf of the Financing Entity for the provision of on-going services to the Financing Entity, permitting the satisfaction and termination of such Obligations Secured on or prior to the effective time of such assumption without any acceleration of future fees, profits or other like amounts.[4]

ARTICLE VII
BREACH EVENTS

7.01 Breach Events

"**Breach Event**" shall mean the occurrence or existence of any one or more of the following:

(a) a default in the performance, or breach, of any covenants of OPG under this Agreement (including in respect of its role as FSM under any Program Agreement;

(b) any representation or warrant made by OPG in this Agreement, or any certification made in a Process Certificate, proves to be incorrect on the date made; or

[3] Note: Further details regarding obtaining of third party consents and rating agency approvals to be considered.

[4] Note: The Trust Indenture will need to include a clause providing that the obligations of the Financing Entity to the Indenture Trustee and the Noteholders may be assigned to the Province in accordance with an assumption agreement, substantially in the form set out in an exhibit to the Trust Indenture.

(c) OPG is no longer the FSM, the Administrative Agent or the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove OPG as the FSM, the Administrative Agent or the Manager.

7.02 Notice on Breach Event

If any Breach Event shall have occurred and not been waived in writing by the Province, the Province shall have the right, upon written notice to OPG at its option, and in addition to and not in substitution for any other remedies available hereunder at law or equity, to provide notice to the Indenture Trustee that a Breach Event has occurred and, in accordance with the Change of Law Protection Agreement, that the Limited Guarantee does not and will not apply to any Primary Obligations that may thereafter be incurred or amended by or on behalf of the Financing Entity.[5]

ARTICLE VIII
MISCELLANEOUS

8.01 Term of Agreement

This Agreement will continue for the term of the Change of Law Protection Agreement.

8.02 Notices

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

(a) if to OPG:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]

[5] NTD: Carve-out for re-financings of Approved Obligations already in existence is under consideration.

Email: [■]

(b) if to the Province:

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

and

Ministry of Energy
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

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

8.03 Assignment

(a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties.

(b) Any purported assignment of this Agreement in violation of this Section 8.03 shall be null and void.

8.04 Enurement

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

8.05 FIPPA

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

8.06 Confidentiality

[Note: To be considered based on what would be customary and appropriate for similar types of arrangements and would be acceptable to the Province.]

8.07 Delivery of Executed Copies

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

[Signature page to follow]

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

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

By: _____

Name:
Title:

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

By: _____

Name:
Title:

ONTARIO POWER GENERATION INC.

By: _____

Name:
Title:

By: _____

Name:
Title:

Each of the undersigned hereby acknowledge the foregoing as of the day and year first above written.

[FINANCING ENTITY TRUSTEE], IN ITS CAPACITY AS FINANCING ENTITY TRUSTEE FOR [FINANCING ENTITY]

By: _____
Name:
Title:

[INDENTURE TRUSTEE], AS INDENTURE TRUSTEE AND NOT IN ITS INDIVIDUAL CAPACITY

By: _____
Name:
Title:

SCHEDULE A
DEFINED TERMS

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

"**Adherence Conditions**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

["**Administrative Agent**" means OPG, in its capacity as administrative agent of the Financing Entity under the Administrative Services Agreement.]

["**Administrative Services Agreement**" means the administrative services agreement dated [■], 2017 between the Financing Entity and the Administrative Agent concerning the reimbursement of certain costs incurred by the Administrative Agent in connection with the administration of the Financing Entity.][6]

"**Approved Obligation**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Assumption Agreement**" has the meaning ascribed thereto in Section 6.01.

"**Assumption Closing Date**" has the meaning ascribed thereto in Section 6.03.

"**Beneficiaries**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Breach Event**" has the meaning ascribed thereto in Section 7.01.

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

"**Capital Account**" has the meaning ascribed to the term "capital account" in the General Regulation.

"**Change of Law Protection Agreement**" means the Change of Law Protection Agreement dated [■], 2017 among the Province, the Financing Entity, the FSM and the Indenture Trustee.

"**Collateral**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Financing Entity and any other owner or owners of an Investment Interest as contemplated by Subsection 29(5) of the Act.

[6] Note: To be confirmed if required.

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

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

"**Disclosure Document**" means a disclosure document (including any offering circular, prospectus or other investor disclosure statement) describing the material terms of the notes, bonds or securities to be issued pursuant to a supplemental indenture under the Trust Indenture, together with any related material information;

"**Election Notice**" has the meaning ascribed thereto in Section 6.01.

"**Finance Reserve Account**" has the meaning ascribed to the term "finance reserve account" in the General Regulation [as of the date of this Agreement].

"**Financing Entity**" means [■], a trust settled by the FSM under the laws of the Province of Ontario and under which the Financing Entity Trustee is the trustee.

"**Financing Entity Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Financing Entity at such time.

"**Financing Plan**" has the meaning ascribed thereto in the Act.

"**Forecast**" has the meaning ascribed thereto in Section 4.01(c).

"**FSM**" has the meaning ascribed thereto in the second paragraph of the recitals of this Agreement.

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act.

"**General Regulation**" means O. Reg. 206/17 made under the Act.

"**Governing Document**" has the meaning ascribed to the term "governing document" in the General Regulation.

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

"**IESO**" has the meaning ascribed thereto in the Act.

"**Indenture Trustee**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Initial Forecast**" has the meaning ascribed thereto in Section 4.01(b).

"**Initial Forecast Period**" has the meaning ascribed thereto in Section 4.01(b).

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act.

"**Legislature**" means the Legislature of the Province of Ontario.

"**Lien**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Limited Guarantee**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

["**Management Agreement**" means the management agreement dated [■], 2017 between the Manager and the Financing Entity.]

["**Manager**" means OPG, in its capacity as manager of the Financing Entity under the Management Agreement.][7]

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, and acknowledged and accepted by the Indenture Trustee.

"**Obligations Secured**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**OPG**" has the meaning ascribed thereto in the first paragraph of this Agreement.

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

"**Primary Obligations**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Process Certificate**" has the meaning ascribed thereto in Section 3.01.

"**Program Agreements**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

[7]Note: To be confirmed if required. Also note that the draft Trust Indenture refers to OPG as the "manager" (rather than "Financial Services Manager" as under the Act). To be reconciled.

"**Proposed Assumption Date**" has the meaning ascribed thereto in Section 6.01.

"**Protection Agreement Maximum**" means the dollar amount determined by the Province and of which OPG is provided written notice in accordance with Article IV.

"**Protection Event**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

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

"**Rating Agency**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Repayment**" has the meaning ascribed thereto in the General Regulation.

"**Security Interest**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Specified Creditors**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Supplemental Reserve Account**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

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

"**Transaction Document**" means (i) all constating and organizational documents of the Financing Entity, including the Declaration of Trust; (ii) any management, administration or servicing agreement to which the Financing Entity is a party, including any replacement or standby services agreement, the Administrative Services Agreement and the Management Agreement; (iii) the Master Transfer and Servicing Agreement between the Financing Entity and the IESO; (iv) Trust Indenture; (v) the form of supplemental indenture (supplemental to the Trust Indenture) governing the terms and conditions of a sample series of notes, bonds or other securities to be issued by the Financing Entity, including the particular allocations, security and priority of the Obligations Secured being serviced by the related Investment Interest and any other related series property; (vi) the form of any note, bond or securities purchase agreement; (vii) the form of underwriting agreement, agency agreement, selling agreement and/or subscription agreement that may be used with respect to a sale of a related series of notes, bonds or securities to be issued under the supplemental indenture referred to in (v), above; (viii) the form of any loan or credit agreement governing the issuance of short term loan obligations by the Financing Entity; (ix) the form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; (x) the form of any other agreement or instrument under which a Funding Obligation may arise or be effected,

including any other agreement under which the Financing Entity incurs a material financial obligation or that affects the Province's subrogation rights and/or subrogee interests, including any standby liquidity arrangements or credit enhancement agreements; (xi) if applicable, a Co-Owner Agreement or any other agreement governing the respective interests of persons having rights or interests in the investment asset or other assets of the Financing Entity, including any other agreement of the sort contemplated in Subsection 29(5) of the Act; and (xii) the form of Disclosure Document.

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

EXHIBIT A
FORM OF ELECTION NOTICE

(form of Assumption Agreement to be attached, once settled)

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

AND

[FINANCING ENTITY TRUSTEE] IN ITS CAPACITY AS TRUSTEE OF THE [FINANCING ENTITY]

AND

ONTARIO POWER GENERATION INC., AS FINANCIAL SERVICES MANAGER

AND

[NAME OF INDENTURE TRUSTEE], AS INDENTURE TRUSTEE

CHANGE OF LAW PROTECTION AGREEMENT

Dated as of [■], 2017

This **AGREEMENT**, among Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and the Minister of Finance (the "**Province**"), **[FINANCING ENTITY TRUSTEE]**, as the Financing Entity Trustee and in its capacity as trustee of the **[FINANCING ENTITY]**, a trust settled by the FSM under the laws of the Province of Ontario (the "**Financing Entity**"), Ontario Power Generation Inc. in its capacity as the Financial Services Manager in accordance with the Act (the "**FSM**") and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada, as Indenture Trustee and in its capacity as trustee for the in accordance with the Trust Indenture, is made and entered into as of [■], 2017.

RECITALS

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

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

Pursuant to a Declaration of Trust dated as of ■, 2017, the FSM [established] the Financing Entity as a "financing entity"[1] (as defined in the Act) for the purposes contemplated in the Act.

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

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

OPG and the Province will concurrently enter into the Process Agreement, under which OPG will agree to perform certain related activities and to provide certain assurances on which the Province will rely, including for the purposes of determining whether the Adherence

[1] Note to Draft: Consideration is being given by MOE to possible changes to the Regulation to accommodate the proposed use of a "trust", as a "financing entity".

Conditions have been satisfied in connection with the incurrence or amendment of an Approved Obligation and ensuring that the Province's assumption right may be exercised without impediment on the terms and conditions contemplated in this Agreement.

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

AGREEMENT OF THE PARTIES

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

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

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

(a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A;

(b) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;

(c) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;

(d) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;

(e) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;

(f) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

(g) all references in this Agreement to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits" and other subdivisions are to the designated Articles, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit or other subdivision;

(h) "including" and words of similar import will be deemed to be followed by "without limitation"; and

(i) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.02 Trustee to act in accordance with the Trust Indenture

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

1.03 Proof of Approved Obligations

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

Any statement of account prepared by the Indenture Trustee as regards the Primary Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due and payable by the Financing Entity to the Beneficiaries and/or the Indenture Trustee and the Province hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Indenture Trustee agrees to provide the Province with the computations and calculations used by the Indenture Trustee to prepare each such statement of account promptly following a request therefor.

1.04 Limitation on Rights of and Actions by Specified Creditors

Specified Creditors, as Beneficiaries, shall not have or be permitted to exercise any rights, interests, or elections under this Agreement, other than in the manner and to the extent effected and exercised through the Indenture Trustee under, in accordance with and subject to the limitations set forth in the Trust Indenture. No Specified Creditor will have any right to institute any proceeding, judicial or otherwise, with respect to this Agreement.

1.05 Province Retains Rights of Beneficiaries

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

1.06 Effect of Headings

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

1.07 Successors and Assigns

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

1.08 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.09 Governing Law

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

1.10 Proceedings Against the Crown Act

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

1.11 Attornment

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

1.12 Counterparts; Electronic Delivery

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

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

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

1.14 Non-Business Days

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

1.15 Waiver, Amendment

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

1.16 Interest Act

For the purpose of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest to which any rate of interest payable under this Agreement that is calculated on any basis other than a full calendar year is equivalent may be determined by multiplying such rate by a fraction, the numerator of which is the actual number of days in the calendar year in which such

yearly rate of interest is to be ascertained and the denominator of which is the number of days comprising such other basis. The parties further agree that for the purposes of the *Interest Act* (Canada), (a) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement, and (b) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

1.17 Currency

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

1.18 References to Acts of the Financing Entity Trustee

For greater certainty, where any reference is made in this Agreement, or in any other instrument executed pursuant hereto or contemplated hereby to which the Financing Entity or the Financing Entity Trustee, as trustee of the Financing Entity, is party, to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to (i) the Financing Entity or (ii) the Financing Entity Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to, the Financing Entity Trustee as trustee of the Financing Entity.

1.19 Judgment Currency

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

(b) The term "rate of exchange" in this Section 1.18 means the spot rate at which the Indenture Trustee, in accordance with normal practice, is able on the relevant date to purchase the Original Currency with the Second Currency and includes any premium and costs of exchange payable in connection with such purchase.

ARTICLE II
AGREEMENT TO PERFORM APPROVED OBLIGATIONS

2.01 Limited Guarantee

(a) Upon the occurrence of a Protection Event, the Indenture Trustee may provide a written demand, in the form attached as Exhibit A (a "**Payment Demand**") to the Province requiring the Province to pay the Approved Obligations owing from time to time by the Financing Entity to the Indenture Trustee as and when they become due and payable, without Acceleration. A Payment Demand will not be valid with respect to an Approved Obligation until the amount claimed becomes due and payable in respect of the Approved Obligation (without Acceleration) in accordance with the Trust Indenture and has not otherwise been paid by the Financing Entity.

(b) Following receipt of a valid Payment Demand under Subsection 2.01(a), the Province shall pay the amounts owing by the Financing Entity to the Indenture Trustee, on behalf of the applicable Beneficiaries, in respect of each Approved Obligation[2], in each case as and when the Approved Obligation becomes due and payable in accordance with its terms and on its scheduled, specified or determined payment date, as determined without regard to any Acceleration or rights of Acceleration arising under the Approved Obligation, in each case by the Province depositing or causing the deposit of the applicable payment amount into the Collection Account (the "**Limited Guarantee**"). For greater certainty, the Limited Guarantee will not apply to any amount or obligation of the Financing Entity that is not or does not arise under an Approved Obligation, including (i) any amounts that are or become payable as a result of the exercise of an option of the Financing Entity following a Protection Event, and [(ii) amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account, Finance Reserve Account or a Supplemental Reserve Account.][3]

[2] Note: Under Subsection 5(3) of the Act, the Province can guarantee only obligations "associated with an investment interest". The guarantee in Section 2.01 of the draft agreement guarantees "Approved Obligations" which in turn relies on the definition of Primary Obligations. The connection between a Primary Obligation and an "investment interest" is therefore crucial. Unfortunately, the nexus is not straightforward. Blakes is considering how to more precisely connect these concepts.

[3] Note: OFA to confirm whether the Limited Guarantee will extend to require the Province to fill sinking fund and collateral accounts during the period when the Province is required to make payments. If not, then we will need to consider the impact on ratepayers and the potential impact on the CEA calculations, which will have been based originally on these deposits being made during particular reference periods.

(c) Except as expressly provided in this Agreement, the Province's obligation to provide and perform the Limited Guarantee shall be irrevocable, absolute and unconditional.

(d) Any amount payable by the Province under the Limited Guarantee in respect of an Approved Obligation that is not paid when required herein shall bear interest from the applicable due date until paid in full at the rate or rates expressed to be payable on the Approved Obligation.

(e) The right to deliver a Payment Demand and thereupon enforce the Limited Guarantee shall constitute the only remedy available to the Indenture Trustee under this Agreement. Under no circumstances shall the Province be obligated to pay or indemnify the Indenture Trustee or any Beneficiary for consequential, special or punitive damages, or for economic loss or loss of profits.

2.02 Gross-up

[All amounts payable by the Province under this Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Province is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Province shall deposit into the Collection Account such additional amount as is necessary to ensure that the Indenture Trustee receives (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise due and payable in respect of the related Approved Obligation, net of any such taxes, charges, fees, levies, duties or withholdings.][4]

2.03 Absence of Set-off

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

2.04 Payment into Collection Account in Satisfaction

Notwithstanding the priority of payment requirements set forth in the Trust Indenture and any legal rule concerning the imputation of payments, the Indenture Trustee shall apply the full amount paid by the Province into the Collection Account in respect of an Approved Obligation to pay the corresponding amount due and payable to the applicable Beneficiaries under the Approved Obligation.[5] Upon a payment having been made by or on behalf of the Province into

[4] Province to advise on extension of a tax gross up. We assume this is necessary, although we have not discussed it specifically and it may be that we delete this provision on the basis that the determination of a tax gross up (and the Province's liability for it) will be based on the inclusion of that concept in the Trust Indenture itself.

[5] Note: This will need to operate in tandem with the Trust Indenture waterfall. The idea is that the Approved Obligations may not necessarily follow the sequence of the "payment waterfall" included in the Trust Indenture, and so amounts from the Province would need to operate independently. To be discussed with Torys.

the Collection Account in respect of an Approved Obligation, the amount so paid shall for all purposes be considered to have been applied to pay the applicable Beneficiaries and thereby reduce the amount due and payable under the Approved Obligation, whereupon an affected Beneficiary shall have no continuing rights, interests or entitlements (including rights as a secured party) in respect of the Approved Obligation to the extent so paid[6].

2.05 Certain Waivers

The Province hereby waives:

(a) any requirement, and any right to require, that any power be exercised or any action be taken against the Financing Entity or any Collateral for any of the Approved Obligations;

(b) all notices which may be required by applicable law to preserve any rights against the Province hereunder, including any notice of default, demand, dishonour, presentment and protest;

(c) diligence; and

(d) any defence based upon, arising out of or in any way related to any claim that any election of remedies by the Beneficiaries impaired, reduced, released or extinguished any rights that the Province might otherwise have had against the Financing Entity or any other surety.

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

2.06 Additional Security

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

2.07 Continuing Liability of the Province

The Approved Obligations shall be deemed not to have been paid, observed or performed, and the liability of the Province hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Financing Entity, or out of the proceeds of any Collateral, is recovered from or reimbursed by or for the account of any of the Beneficiaries for any reason, including a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the

[6] Note: Consider if Beneficiary rights under Obligations Secured can in fact be affected in this way under an agreement to which a Beneficiary is not directly a party. To achieve a binding relationship, a corresponding provision should appear in the Trust Indenture, to the effect that the Beneficiaries will be deemed to be bound by the Indenture Trustee insofar as the Beneficiaries rights against the financing entity are to be affected.

Approved Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by any of the Beneficiaries (whether or not consented to by the Financing Entity or the Province) of any claim for any such recovery or payment over.

2.08 Continuance of the Limited Guarantee

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

2.09 Modifications of Approved Obligations

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

(a) accept new, additional or replacement instruments, documents, agreements or security in connection with all or any part of the Approved Obligations;

(b) accept partial payments on the Approved Obligations; and

(c) waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Approved Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Indenture Trustee (for the benefit of the Beneficiaries) in its discretion may determine,

provided, however, that the Indenture Trustee shall not permit any change, modification, alteration, amendment, supplement, extension, renewal, compromise, novation, replacement, suspension or waiver of the terms of all or any part of the Approved Obligations or any Collateral therefor expect with the prior written consent of the Province having first been obtained.

ARTICLE III
THE INDENTURE TRUSTEE

3.01 The Indenture Trustee

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

3.02 Acceptance of Trusts

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

ARTICLE IV
APPROVED OBLIGATIONS

4.01 Approval Process

A Primary Obligation shall constitute an Approved Obligation if (a) the Adherence Conditions applicable thereto have been satisfied; or (b) the Province has specifically approved in writing the particular terms, conditions and documentation for the Primary Obligation.

4.02 Adherence Conditions

The following shall be the Adherence Conditions applicable in relation to a Primary Obligation:

(a) the Primary Obligation is contemplated under the Trust Indenture as an Obligation Secured;

(b) if the Primary Obligation is a [borrowing][7], at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments[8] under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations,[9] do not exceed the Protection Agreement Maximum;

(c) the FSM delivers a notice to the Indenture Trustee, with a copy to the Province, not less than ■ Business Days and not more than ■ Business Days prior to the incurrence or any amendment of the Primary Obligation, setting out the Protection Agreement Maximum;

(d) the FSM delivers a certificate signed by the Chief Financial Officer and the Treasurer of OPG (or their respective designees, provided that such designees are executive officers of OPG) and addressed to the Province and the Indenture Trustee, not less than ■ Business Days and not more than ■ Business Days prior

[7] Under consideration. Need to ensure that non-conventional instruments (capital rather than debt) are caught in the maximum test.

[8] Note: The concept of "repayments" under the OFHPA take account of contemplated refinancings. There is some risk that an anticipated refinancing would not manifest as contemplated, in which case the amount financed (and subject to the Limited Guarantee) could exceed the Protection Agreement Maximum and result in a balloon payment obligation.

[9] Note: If certain financing entity obligations are guaranteed under a one-off agreement, the interaction between the one-off guaranteed amount and Approved Obligations that are looked at to determine if incurrence of a new Primary Obligation is within the Protection Agreement Maximum will need to be considered.

to the incurrence or any amendment of the Primary Obligation, setting out the following with respect to the Primary Obligation:

i. if the Primary Obligation is a [borrowing], confirmation that, at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations, do not and will not exceed the Protection Agreement Maximum; and

ii. confirmation that the FSM has delivered to the Province a certificate in accordance with the Process Agreement confirming, among other things, that the transaction documents in respect of the Primary Obligation are in substantially the form of the documentation reviewed by the Province; and

(e) the Province has not provided notice to the Indenture Trustee that a Breach Event has occurred and that the Limited Guarantee does not apply to any further Primary Obligations that are incurred.[10]

4.03 Evidence of Satisfaction

A closing certificate signed by at least two executive officers of OPG in connection with an incurrence or amendment of a Primary Obligation shall be determinative as to whether the applicable Adherence Conditions with respect thereto have been satisfied, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defect or deficient, and such closing certificate may be relied upon by any addressee as conclusive evidence of same.

ARTICLE V
RIGHTS OF THE PROVINCE

5.01 Assignment and Subrogation

Upon paying an amount in respect of an Approved Obligation

(a) to or at the direction of the Indenture Trustee in satisfaction of the Limited Guarantee; or

(b) as a result of assuming the Financing Entity's obligations in respect of all Obligations Secured under Article VI,

the Province (in addition to and without prejudice to any rights it otherwise has in law or equity) shall be subrogated and entitled to all of the applicable Beneficiary's rights and interests under and in respect of the Approved Obligation to the extent of such payment, including (a) the right and entitlement to be paid and receive distributions of such amount by the Financing Entity in accordance with and in the priority applicable to the Approved

[10] NTD: Carve-out for re-financings of Approved Obligations already in existence is under consideration.

Obligation applicable in respect of the payment under the Trust Indenture, (b) the benefits of the related Collateral and (c) all proceeds therefrom. The Province shall have and be entitled to enforce all rights and interests (including as a secured party under the Trust Indenture) under such Approved Obligation as an absolute assignee of the applicable Beneficiary, with effect from and after the time of such payment, without any further requirement for notice to or acceptance by the Financing Entity of such absolute assignment and without any reduction, set-off or counterclaim on account of any amounts that may, at or after the time of payment, be or become owing by the Beneficiary to the Financing Entity and unaffected by any other rights or equities that arise thereafter as between the Beneficiary and the Financing Entity. The Indenture Trustee shall recognize the Province as being entitled to all of the rights, interests and entitlements of the Beneficiary (including, if applicable, as a Noteholder) in respect and to the extent of the Approved Obligation so paid, determined as of the time of payment, for all purposes under the Trust Indenture, and the Province shall be treated as a Specified Creditor in respect thereof for all purposes under the Trust Indenture and any other agreement under which the Approved Obligation arises.

5.02 Priorities

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

5.03 Voting Rights under "Outstanding Notes"

Notwithstanding the last three sentences of the definition of "Outstanding" in the Trust Indenture[11]:

(a) Notes in connection with Approved Obligations in respect of which the Province has rights and interest pursuant to Section 5.01 shall be regarded as "Outstanding" within the meaning of the Trust Indenture; and

(b) in determining whether Noteholders of the requisite principal amount of Notes that are Outstanding (as defined in the Trust Indenture) have taken any Action under the Trust Indenture, and for the purposes of Article X of the Trust Indenture, the Province shall be deemed to have the amount of Outstanding (as defined in the Trust Indenture) Notes in proportion to its interest in such Notes based on the amounts that the Province has paid in respect of Approved Obligations under this Agreement.

[11] Note: This concept should be reflected in the Trust Indenture to be effective. Additional scenarios where the Province's rights as an affiliate of OPG may differ from what is expected are to be identified in the underlying Program Agreements.

5.04 Province May Perform Other Program Agreement Covenants.

If the Financing Entity fails to perform any covenant under any Program Agreement, the Province may (but, except as expressly provided for under this Agreement, shall not be obligated to) perform such covenant on behalf of the Financing Entity. If the Province performs such a covenant on behalf of the Financing Entity, all sums expended or advanced by the Province in so performing the covenant will bear interest at the rate of interest determined by the Province to reflect market terms and conditions for a borrowing made by the Province at the relevant time from the date of expenditure until repayment by the Financing Entity [and will (together with such interest) be paid by the Financing Entity upon demand and will until paid form part of the Obligations Secured and constitute a Finance Amount.[12]

ARTICLE VIL
NOTICE OF ASSUMPTION OF OBLIGATIONS SECURED

6.01 Delivery of Assumption Notice

The Province may provide notice (in the form of Exhibit B) to the Indenture Trustee that, in accordance with the terms of the Process Agreement, the Province has elected to assume the Financing Entity's obligations in respect of all Obligations Secured, as obligor and debtor (the "**Assumption Notice**"). The Assumption Notice shall specify the date on which the assignment and assumption of the Obligations Secured will be effective (the "**Assumption Closing Date**").

6.02 Cooperation to Implement the Assignment and Assumption

The Indenture Trustee, the FSM, the Financing Entity and the Province will cooperate and use [commercially reasonable efforts] to complete the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province, by the Assumption Closing Date.[13]

6.03 Effect of Assumption

On the date that the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province becomes effective (the "**Assumption Effective Date**"), the Province shall no longer be required to provide and perform the Limited Guarantee.

6.04 Interim Period

Until the effective time of the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province on the Assumption Effective Date, the Province shall continue to perform and be obligated under the Limited Guarantee.

[12] Note: General Regulation must be revised such that "Finance Amount" picks up guarantor amounts. Under consideration by MOE.

[13] Note: Further details regarding obtaining of third party consents and rating agency approvals to be considered.

ARTICLE VII
INDENTURE TRUSTEE MATTERS

7.01 Limited Recourse

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

7.02 Not Responsible for Recitals or Issuance of Notes

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

7.03 Representations and Covenants of the Indenture Trustee

The Indenture Trustee represents, warrants and covenants that:

(a) the Indenture Trustee is a trust company organized, existing and in good standing under the laws of Canada;

(b) the Indenture Trustee has full power and authority to execute, deliver and perform this Agreement and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement and other documents to which it is a party;

(c) each of this Agreement and the other documents to which it is a party has been duly executed and delivered by the Indenture Trustee and constitutes its legal, valid and binding obligation in accordance with its terms; and

(d) the Indenture Trustee is authorized to carry on the business of a trust company in each of the provinces and territories of Canada.

7.04 Release of all Collateral

(a) The Indenture Trustee shall not execute instruments to release Collateral from the Security Interest of the Trust Indenture, or convey the Indenture Trustee's interest (which is held by the Indenture Trustee for the benefit of the Specified Creditors) in the same, unless and until the rights and interests of the Province under Section 5.01 or otherwise as an assignee of any of the Obligations Secured or as a

subrogee have been satisfied in full and the Province has no continuing obligations under this Agreement.

(b) The Province shall be entitled to receive at least 10 Business Days' written notice when the Indenture Trustee proposes to take any action pursuant to Subsection 7.04(a), accompanied by copies of any instruments involved.

7.05 Right to Notice and Attend Meetings

The Financing Entity shall ensure that the Province receives advance notice of any meeting or proposed written resolution of Specified Creditors (or any of them) and the Province and its legal advisers shall be permitted to attend and be represented at any meeting of such Specified Creditors.

ARTICLE VIII
SUSPENSION OF ADHERENCE FOR NEW PRIMARY OBLIGATIONS

8.01 Suspension Notice

A written notice in the form of Exhibit C (a "**Suspension Notice**"):

(a) shall be provided by the FSM to the Province and the Indenture Trustee promptly following the occurrence of a Program Breach; and

(b) may be provided by the Province to the Indenture Trustee, the FSM and the Financing Entity following the occurrence of a Breach Event.

8.02 Suspension

If a Suspension Notice has been provided under Section 8.01 (the provision of such notice being a "**Suspension Event**"), the Financing Entity shall not incur any new or additional Obligation Secured and shall not amend or terminate any existing Obligation Secured except with the prior written consent of the Province.

8.03 Termination Notice

On the occurrence of a Suspension Event, the Province may provide to the Indenture Trustee, the FSM and the Financing Entity a notice in the form of Exhibit D (a "**Termination Notice**").

8.04 No Impact on Adherence

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

ARTICLE IX
MISCELLANEOUS

9.01 Term of Agreement

This Agreement will continue until the later of:

(a) the date that no amount is or may become due and payable by the Province under the Limited Guarantee; and

(b) the date that a Termination Notice is received by the Indenture Trustee, the FSM and the Financing Entity.

9.02 Notices

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

(a) if to the Financing Entity:

[Financing Entity]
c/o Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]
Email: [■]

with copies to:

[Financing Entity Trustee], in its capacity as Financing Entity Trustee for
[Financing Entity]
[Address]
Attention: [■]

Fax: (416) [■]
Email: [■]

[■]

(b) if to the FSM:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]
Email: [■]

(c) if to the Province:

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

and

Ministry of Energy
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

(d) if to the Indenture Trustee:

[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

or to such other addresses as a party may from time to time notify the other parties in accordance with this Section 9.02.

9.03 Assignment

(a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties.

(b) Any purported assignment of this Agreement in violation of this Section 9.03 shall be null and void.

9.04 Enurement

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

9.05 FIPPA

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

9.06 Confidentiality

[Note: To be considered based on what would be customary and appropriate for similar types of arrangements and would be acceptable to the Province. Note that this Agreement will become part of the package of rights acquired by investors and counterparties and so it is unclear to what extent confidentiality can or should be preserved in these circumstances.]

9.07 No Petition

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

9.08 Force Majeure

In no event shall the Indenture Trustee or the Financing Entity Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Indenture Trustee and the Financing Entity Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

9.09 Delivery of Executed Copies

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

[Signature page to follow]

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

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

By: _____
Name:
Title:

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

By: _____
Name:
Title:

ONTARIO POWER GENERATION INC., AS FSM

By: _____
Name:
Title:

By: _____
Name:
Title:

[FINANCING ENTITY TRUSTEE], IN ITS CAPACITY AS FINANCING ENTITY TRUSTEE FOR [FINANCING ENTITY]

By: _____
Name:
Title:

[INDENTURE TRUSTEE], AS INDENTURE TRUSTEE AND NOT IN ITS INDIVIDUAL CAPACITY

By: _____
Name:
Title:

SCHEDULE A
DEFINED TERMS

"**Acceleration**" has the meaning ascribed to the term "acceleration"[14] in the General Regulation.

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

"**Action**" has the meaning ascribed thereto under the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

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

"**Assumption Closing Date**" has the meaning ascribed thereto in Section 6.01.

"**Assumption Effective Date**" has the meaning ascribed thereto in Section 6.03.

"**Assumption Notice**" has the meaning ascribed thereto in Section 6.01.

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

"**Breach Event**" means the occurrence or existence of any one or more of the following: (a) a default in the performance, or breach, of any covenants of OPG under the Process Agreement; or (b) any representation or warranty made by OPG, or any certification made by OPG under the Process Agreement, proves to be incorrect in any material respect on the date made; or (c) OPG is no longer the FSM, the Administrative Agent or the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove OPG as the FSM, the Administrative Agent or the Manager.

"**Business Day**" means (a) any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are [, or the office of the Indenture Trustee is,] authorized or obligated by applicable law, regulation or executive order to be closed.

"**Capital Account**" has the meaning ascribed to the term "capital account" in the General Regulation.

"**Change of Law Protection Agreement**" means this Agreement.

[14] Note: A proposal to add this concept into the Regulation is under consideration by MOE. Further modifications to follow, depending on that process.

"**Collateral**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

"**Collection Account**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

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

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

"**Finance Reserve Account**" has the meaning ascribed to the term "finance reserve account" in the General Regulation [as of the date of this Agreement].

"**Financing Entity**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Financing Entity Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Financing Entity at such time.

"**FSM**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act [as of the date of this Agreement].

"**General Regulation**" means O. Reg. 206/17 made under the Act.

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

"**IESO**" has the meaning ascribed thereto in the Act [as of the date of this Agreement].

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

"**Investment Interest**" has the meaning ascribed to the term "Investment Interest" in the Act [as of the date of this Agreement].

"**Legislature**" means the Legislature of the Province of Ontario.

"**Limited Guarantee**" has the meaning ascribed thereto in Section 2.01(b).

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, and acknowledged and accepted by the Indenture Trustee.

"**Note**" or "**Notes**" has the meaning ascribed thereto under the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Noteholder**" has the meaning ascribed thereto under the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Obligations Secured**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**OIC**" has the meaning ascribed thereto in the second paragraph of the recitals in this Agreement.

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

"**Original Currency**" has the meaning ascribed thereto in Section 1.18(a).

"**Payment Demand**" has the meaning ascribed thereto in Section 2.01(a).

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

"**Primary Obligations**" means any Obligation Secured that is a Funding Obligation, other than (a) any amounts that are or become payable as a result of the exercise of an option of the Financing Entity following a Protection Event; and [(b) any amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account, Finance Reserve Account, or Supplemental Reserve Account.][15]

"**Process Agreement**" means the Change of Law Process Agreement dated [■], 2017 between the Province and OPG.

[15] Note: Possible simplification of definition structure under consideration.

"**Program Agreements**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

"**Protection Agreement Maximum"** means the dollar amount determined by the Province and of which OPG is provided notice in accordance with the Process Agreement.[16]

"**Protection Event**" means the occurrence of any of the following events:

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

(ii) the Legislature enacts or amends any other statute;

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

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

(v) there is a change in the organization or structure of the IESO or Ontario's electricity market[17] undertaken at the initiative of the Province or an entity controlled by the Province,

in each case, that materially and adversely affects (a) the ability of the Financing Entity to receive amounts on its Investment Interest so that it can pay Obligations Secured, or (b) this Agreement or any of the agreements under which Obligations Secured arise, other than if the Indenture Trustee has confirmed in writing that the effect under such agreements is otherwise acceptable; or

(b) a court of competent jurisdiction [in a final and non-appealable judgement][18] determines that all or a portion of the Act or the regulations made under the Act, as in effect on the date hereof, is *ultra vires* or invalid in a way that materially and

[16] Note: An alternative would be to expressly state the Program Agreement Maximum amount and the process by which this amount is determined in this Agreement.

[17] Note: Consider more clarity to "Ontario's electricity market".

[18] Under consideration to assess the marketability implications of this phrase.

adversely affects the ability of the Financing Entity to receive amounts on its Investment Interest so that it can pay Obligations Secured.

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

"**Repayment**" has the meaning ascribed thereto in the General Regulation.

"**Second Currency**" has the meaning ascribed thereto in Section 1.18(b).

"**Security Interest**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Specified Creditors**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Supplemental Reserve Account**" has the meaning ascribed in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Suspension Event**" has the meaning ascribed thereto in Section 8.02.

"**Suspension Notice**" has the meaning ascribed thereto in Section 8.01.

"**Termination Notice**" has the meaning ascribed thereto in Section 8.03.

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

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

EXHIBIT A
FORM OF PAYMENT DEMAND

EXHIBIT B
ASSUMPTION NOTICE

EXHIBIT C
SUSPENSION NOTICE

EXHIBIT D
TERMINATION NOTICE

From: Sarah Harris
To: Jean-Francois Beaupre
Subject: FW: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
Date: Thursday, November 02, 2017 10:45:07 AM
Attachments: 23239360-v8-CLPA - Protection Agreement.docx
23239361-v6-CLPA - Process Agreement.docx

FYI in case anyone is looking for me.
Sarah.

From: Sarah Harris
Sent: Thursday, November 02, 2017 10:45 AM
To: Opal Kandelas
Subject: FW: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Hi Opal,
I'm going to be tied up between 12 and 3 on the FHP meeting. Docs are attached.
Sarah

From: Sarah Harris
Sent: Thursday, November 02, 2017 10:43 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: RE: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Thanks, Malle. I will try to attend most of it. I'm tied up with finalizing the IESO Fair Hydro Plan Agreements for execution tomorrow, and we're trying to organize a call today with IESO today. I may need to drop in and out.
Sarah

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Thursday, November 02, 2017 10:39 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: FW: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Hi Sarah, Meeting today from 12 to 3 to review this. Think it would be good if you can attend. Thanks.

From: Whitfield, Tobias P. (MOF)
Sent: November 2, 2017 9:41 AM
To: Strathy, Anna (OFA); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: RE: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel

Please find attached preliminary drafts of the Protection Agreement and the Process Agreement for discussion at our meeting this afternoon.
Note that these drafts contain a number of issues that are still under consideration and up for discussion.
Best
Toby
Tobias Whitfield

Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456
-----Original Appointment-----
From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: November 2, 2017 8:31 AM
To: Anna Strathy; Whitfield, Tobias P. (MOF); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
When: November 2, 2017 12:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Executive Boardroom, 14th Floor, 1 Dundas OR Teleconference 1-866-602-5461 or 416-212-8011 | Conference ID: 4717656

Nov 2: Rescheduled from 10:00am to 12:00pm

MOF Legal is expecting a second draft between 9 and 10am today. The later meeting time will allow time to review prior to discussing.

Lunch will be provided

Toll-free dial-in number: 1-866-602-5461

Local dial-in number: 416-212-8011

Conference ID: 4717656

OFA to Moderate

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

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

AND

[FINANCING ENTITY TRUSTEE] IN ITS CAPACITY AS TRUSTEE OF THE [FINANCING ENTITY]

AND

ONTARIO POWER GENERATION INC., AS FINANCIAL SERVICES MANAGER

AND

[NAME OF INDENTURE TRUSTEE], AS INDENTURE TRUSTEE

CHANGE OF LAW PROTECTION AGREEMENT

Dated as of [■], 2017

This **AGREEMENT**, among Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and the Minister of Finance (the "**Province**"), **[FINANCING ENTITY TRUSTEE]**, as the Financing Entity Trustee and in its capacity as trustee of the **[FINANCING ENTITY]**, a trust settled by the FSM under the laws of the Province of Ontario (the "**Financing Entity**"), Ontario Power Generation Inc. in its capacity as the Financial Services Manager in accordance with the Act (the "**FSM**") and **[INDENTURE TRUSTEE]**, a trust company existing under the laws of Canada, as Indenture Trustee and in its capacity as trustee for the in accordance with the Trust Indenture, is made and entered into as of [■], 2017.

RECITALS

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

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

Pursuant to a Declaration of Trust dated as of ■, 2017, the FSM [established] the Financing Entity as a "financing entity"[1] (as defined in the Act) for the purposes contemplated in the Act.

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

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

OPG and the Province will concurrently enter into the Process Agreement, under which OPG will agree to perform certain related activities and to provide certain assurances on which the Province will rely, including for the purposes of determining whether the Adherence

[1] Note to Draft: Consideration is being given by MOE to possible changes to the Regulation to accommodate the proposed use of a "trust", as a "financing entity".

Conditions have been satisfied in connection with the incurrence or amendment of an Approved Obligation and ensuring that the Province's assumption right may be exercised without impediment on the terms and conditions contemplated in this Agreement.

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

AGREEMENT OF THE PARTIES

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

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

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

(a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A;

(b) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;

(c) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;

(d) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;

(e) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;

(f) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

(g) all references in this Agreement to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits" and other subdivisions are to the designated Articles, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit or other subdivision;

(h) "including" and words of similar import will be deemed to be followed by "without limitation"; and

(i) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.02 Trustee to act in accordance with the Trust Indenture

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

1.03 Proof of Approved Obligations

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

Any statement of account prepared by the Indenture Trustee as regards the Primary Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due and payable by the Financing Entity to the Beneficiaries and/or the Indenture Trustee and the Province hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Indenture Trustee agrees to provide the Province with the computations and calculations used by the Indenture Trustee to prepare each such statement of account promptly following a request therefor.

1.04 Limitation on Rights of and Actions by Specified Creditors

Specified Creditors, as Beneficiaries, shall not have or be permitted to exercise any rights, interests, or elections under this Agreement, other than in the manner and to the extent effected and exercised through the Indenture Trustee under, in accordance with and subject to the limitations set forth in the Trust Indenture. No Specified Creditor will have any right to institute any proceeding, judicial or otherwise, with respect to this Agreement.

1.05 Province Retains Rights of Beneficiaries

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

1.06 Effect of Headings

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

1.07 Successors and Assigns

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

1.08 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.09 Governing Law

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

1.10 Proceedings Against the Crown Act

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

1.11 Attornment

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

1.12 Counterparts; Electronic Delivery

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

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

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

1.14 Non-Business Days

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

1.15 Waiver, Amendment

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

1.16 Interest Act

For the purpose of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest to which any rate of interest payable under this Agreement that is calculated on any basis other than a full calendar year is equivalent may be determined by multiplying such rate by a fraction, the numerator of which is the actual number of days in the calendar year in which such

yearly rate of interest is to be ascertained and the denominator of which is the number of days comprising such other basis. The parties further agree that for the purposes of the *Interest Act* (Canada), (a) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement, and (b) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

1.17 Currency

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

1.18 References to Acts of the Financing Entity Trustee

For greater certainty, where any reference is made in this Agreement, or in any other instrument executed pursuant hereto or contemplated hereby to which the Financing Entity or the Financing Entity Trustee, as trustee of the Financing Entity, is party, to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to (i) the Financing Entity or (ii) the Financing Entity Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to, the Financing Entity Trustee as trustee of the Financing Entity.

1.19 Judgment Currency

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

(b) The term "rate of exchange" in this Section 1.18 means the spot rate at which the Indenture Trustee, in accordance with normal practice, is able on the relevant date to purchase the Original Currency with the Second Currency and includes any premium and costs of exchange payable in connection with such purchase.

ARTICLE II
AGREEMENT TO PERFORM APPROVED OBLIGATIONS

2.01 Limited Guarantee

(a) Upon the occurrence of a Protection Event, the Indenture Trustee may provide a written demand, in the form attached as Exhibit A (a "**Payment Demand**") to the Province requiring the Province to pay the Approved Obligations owing from time to time by the Financing Entity to the Indenture Trustee as and when they become due and payable, without Acceleration. A Payment Demand will not be valid with respect to an Approved Obligation until the amount claimed becomes due and payable in respect of the Approved Obligation (without Acceleration) in accordance with the Trust Indenture and has not otherwise been paid by the Financing Entity.

(b) Following receipt of a valid Payment Demand under Subsection 2.01(a), the Province shall pay the amounts owing by the Financing Entity to the Indenture Trustee, on behalf of the applicable Beneficiaries, in respect of each Approved Obligation[2], in each case as and when the Approved Obligation becomes due and payable in accordance with its terms and on its scheduled, specified or determined payment date, as determined without regard to any Acceleration or rights of Acceleration arising under the Approved Obligation, in each case by the Province depositing or causing the deposit of the applicable payment amount into the Collection Account (the "**Limited Guarantee**"). For greater certainty, the Limited Guarantee will not apply to any amount or obligation of the Financing Entity that is not or does not arise under an Approved Obligation, including (i) any amounts that are or become payable as a result of the exercise of an option of the Financing Entity following a Protection Event, and [(ii) amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account, Finance Reserve Account or a Supplemental Reserve Account.][3]

[2] Note: Under Subsection 5(3) of the Act, the Province can guarantee only obligations "associated with an investment interest". The guarantee in Section 2.01 of the draft agreement guarantees "Approved Obligations" which in turn relies on the definition of Primary Obligations. The connection between a Primary Obligation and an "investment interest" is therefore crucial. Unfortunately, the nexus is not straightforward. Blakes is considering how to more precisely connect these concepts.

[3] Note: OFA to confirm whether the Limited Guarantee will extend to require the Province to fill sinking fund and collateral accounts during the period when the Province is required to make payments. If not, then we will need to consider the impact on ratepayers and the potential impact on the CEA calculations, which will have been based originally on these deposits being made during particular reference periods.

(c) Except as expressly provided in this Agreement, the Province's obligation to provide and perform the Limited Guarantee shall be irrevocable, absolute and unconditional.

(d) Any amount payable by the Province under the Limited Guarantee in respect of an Approved Obligation that is not paid when required herein shall bear interest from the applicable due date until paid in full at the rate or rates expressed to be payable on the Approved Obligation.

(e) The right to deliver a Payment Demand and thereupon enforce the Limited Guarantee shall constitute the only remedy available to the Indenture Trustee under this Agreement. Under no circumstances shall the Province be obligated to pay or indemnify the Indenture Trustee or any Beneficiary for consequential, special or punitive damages, or for economic loss or loss of profits.

2.02 Gross-up

[All amounts payable by the Province under this Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Province is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Province shall deposit into the Collection Account such additional amount as is necessary to ensure that the Indenture Trustee receives (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise due and payable in respect of the related Approved Obligation, net of any such taxes, charges, fees, levies, duties or withholdings.][4]

2.03 Absence of Set-off

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

2.04 Payment into Collection Account in Satisfaction

Notwithstanding the priority of payment requirements set forth in the Trust Indenture and any legal rule concerning the imputation of payments, the Indenture Trustee shall apply the full amount paid by the Province into the Collection Account in respect of an Approved Obligation to pay the corresponding amount due and payable to the applicable Beneficiaries under the Approved Obligation.[5] Upon a payment having been made by or on behalf of the Province into

[4] Province to advise on extension of a tax gross up. We assume this is necessary, although we have not discussed it specifically and it may be that we delete this provision on the basis that the determination of a tax gross up (and the Province's liability for it) will be based on the inclusion of that concept in the Trust Indenture itself.

[5] Note: This will need to operate in tandem with the Trust Indenture waterfall. The idea is that the Approved Obligations may not necessarily follow the sequence of the "payment waterfall" included in the Trust Indenture, and so amounts from the Province would need to operate independently. To be discussed with Torys.

the Collection Account in respect of an Approved Obligation, the amount so paid shall for all purposes be considered to have been applied to pay the applicable Beneficiaries and thereby reduce the amount due and payable under the Approved Obligation, whereupon an affected Beneficiary shall have no continuing rights, interests or entitlements (including rights as a secured party) in respect of the Approved Obligation to the extent so paid[6].

2.05 Certain Waivers

The Province hereby waives:

(a) any requirement, and any right to require, that any power be exercised or any action be taken against the Financing Entity or any Collateral for any of the Approved Obligations;

(b) all notices which may be required by applicable law to preserve any rights against the Province hereunder, including any notice of default, demand, dishonour, presentment and protest;

(c) diligence; and

(d) any defence based upon, arising out of or in any way related to any claim that any election of remedies by the Beneficiaries impaired, reduced, released or extinguished any rights that the Province might otherwise have had against the Financing Entity or any other surety.

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

2.06 Additional Security

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

2.07 Continuing Liability of the Province

The Approved Obligations shall be deemed not to have been paid, observed or performed, and the liability of the Province hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Financing Entity, or out of the proceeds of any Collateral, is recovered from or reimbursed by or for the account of any of the Beneficiaries for any reason, including a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the

[6] Note: Consider if Beneficiary rights under Obligations Secured can in fact be affected in this way under an agreement to which a Beneficiary is not directly a party. To achieve a binding relationship, a corresponding provision should appear in the Trust Indenture, to the effect that the Beneficiaries will be deemed to be bound by the Indenture Trustee insofar as the Beneficiaries rights against the financing entity are to be affected.

Approved Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by any of the Beneficiaries (whether or not consented to by the Financing Entity or the Province) of any claim for any such recovery or payment over.

2.08 Continuance of the Limited Guarantee

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

2.09 Modifications of Approved Obligations

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

(a) accept new, additional or replacement instruments, documents, agreements or security in connection with all or any part of the Approved Obligations;

(b) accept partial payments on the Approved Obligations; and

(c) waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Approved Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Indenture Trustee (for the benefit of the Beneficiaries) in its discretion may determine,

provided, however, that the Indenture Trustee shall not permit any change, modification, alteration, amendment, supplement, extension, renewal, compromise, novation, replacement, suspension or waiver of the terms of all or any part of the Approved Obligations or any Collateral therefor expect with the prior written consent of the Province having first been obtained.

ARTICLE III
THE INDENTURE TRUSTEE

3.01 The Indenture Trustee

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

3.02 Acceptance of Trusts

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

ARTICLE IV
APPROVED OBLIGATIONS

4.01 Approval Process

A Primary Obligation shall constitute an Approved Obligation if (a) the Adherence Conditions applicable thereto have been satisfied; or (b) the Province has specifically approved in writing the particular terms, conditions and documentation for the Primary Obligation.

4.02 Adherence Conditions

The following shall be the Adherence Conditions applicable in relation to a Primary Obligation:

(a) the Primary Obligation is contemplated under the Trust Indenture as an Obligation Secured;

(b) if the Primary Obligation is a [borrowing][7], at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments[8] under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations,[9] do not exceed the Protection Agreement Maximum;

(c) the FSM delivers a notice to the Indenture Trustee, with a copy to the Province, not less than ■ Business Days and not more than ■ Business Days prior to the incurrence or any amendment of the Primary Obligation, setting out the Protection Agreement Maximum;

(d) the FSM delivers a certificate signed by the Chief Financial Officer and the Treasurer of OPG (or their respective designees, provided that such designees are executive officers of OPG) and addressed to the Province and the Indenture Trustee, not less than ■ Business Days and not more than ■ Business Days prior

[7] Under consideration. Need to ensure that non-conventional instruments (capital rather than debt) are caught in the maximum test.

[8] Note: The concept of "repayments" under the OFHPA take account of contemplated refinancings. There is some risk that an anticipated refinancing would not manifest as contemplated, in which case the amount financed (and subject to the Limited Guarantee) could exceed the Protection Agreement Maximum and result in a balloon payment obligation.

[9] Note: If certain financing entity obligations are guaranteed under a one-off agreement, the interaction between the one-off guaranteed amount and Approved Obligations that are looked at to determine if incurrence of a new Primary Obligation is within the Protection Agreement Maximum will need to be considered.

to the incurrence or any amendment of the Primary Obligation, setting out the following with respect to the Primary Obligation:

i. if the Primary Obligation is a [borrowing], confirmation that, at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations, do not and will not exceed the Protection Agreement Maximum; and

ii. confirmation that the FSM has delivered to the Province a certificate in accordance with the Process Agreement confirming, among other things, that the transaction documents in respect of the Primary Obligation are in substantially the form of the documentation reviewed by the Province; and

(e) the Province has not provided notice to the Indenture Trustee that a Breach Event has occurred and that the Limited Guarantee does not apply to any further Primary Obligations that are incurred.[10]

4.03 Evidence of Satisfaction

A closing certificate signed by at least two executive officers of OPG in connection with an incurrence or amendment of a Primary Obligation shall be determinative as to whether the applicable Adherence Conditions with respect thereto have been satisfied, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defect or deficient, and such closing certificate may be relied upon by any addressee as conclusive evidence of same.

ARTICLE V
RIGHTS OF THE PROVINCE

5.01 Assignment and Subrogation

Upon paying an amount in respect of an Approved Obligation

(a) to or at the direction of the Indenture Trustee in satisfaction of the Limited Guarantee; or

(b) as a result of assuming the Financing Entity's obligations in respect of all Obligations Secured under Article VI,

the Province (in addition to and without prejudice to any rights it otherwise has in law or equity) shall be subrogated and entitled to all of the applicable Beneficiary's rights and interests under and in respect of the Approved Obligation to the extent of such payment, including (a) the right and entitlement to be paid and receive distributions of such amount by the Financing Entity in accordance with and in the priority applicable to the Approved

[10] NTD: Carve-out for re-financings of Approved Obligations already in existence is under consideration.

Obligation applicable in respect of the payment under the Trust Indenture, (b) the benefits of the related Collateral and (c) all proceeds therefrom. The Province shall have and be entitled to enforce all rights and interests (including as a secured party under the Trust Indenture) under such Approved Obligation as an absolute assignee of the applicable Beneficiary, with effect from and after the time of such payment, without any further requirement for notice to or acceptance by the Financing Entity of such absolute assignment and without any reduction, set-off or counterclaim on account of any amounts that may, at or after the time of payment, be or become owing by the Beneficiary to the Financing Entity and unaffected by any other rights or equities that arise thereafter as between the Beneficiary and the Financing Entity. The Indenture Trustee shall recognize the Province as being entitled to all of the rights, interests and entitlements of the Beneficiary (including, if applicable, as a Noteholder) in respect and to the extent of the Approved Obligation so paid, determined as of the time of payment, for all purposes under the Trust Indenture, and the Province shall be treated as a Specified Creditor in respect thereof for all purposes under the Trust Indenture and any other agreement under which the Approved Obligation arises.

5.02 Priorities

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

5.03 Voting Rights under "Outstanding Notes"

Notwithstanding the last three sentences of the definition of "Outstanding" in the Trust Indenture[11]:

(a) Notes in connection with Approved Obligations in respect of which the Province has rights and interest pursuant to Section 5.01 shall be regarded as "Outstanding" within the meaning of the Trust Indenture; and

(b) in determining whether Noteholders of the requisite principal amount of Notes that are Outstanding (as defined in the Trust Indenture) have taken any Action under the Trust Indenture, and for the purposes of Article X of the Trust Indenture, the Province shall be deemed to have the amount of Outstanding (as defined in the Trust Indenture) Notes in proportion to its interest in such Notes based on the amounts that the Province has paid in respect of Approved Obligations under this Agreement.

[11] Note: This concept should be reflected in the Trust Indenture to be effective. Additional scenarios where the Province's rights as an affiliate of OPG may differ from what is expected are to be identified in the underlying Program Agreements.

5.04 Province May Perform Other Program Agreement Covenants.

If the Financing Entity fails to perform any covenant under any Program Agreement, the Province may (but, except as expressly provided for under this Agreement, shall not be obligated to) perform such covenant on behalf of the Financing Entity. If the Province performs such a covenant on behalf of the Financing Entity, all sums expended or advanced by the Province in so performing the covenant will bear interest at the rate of interest determined by the Province to reflect market terms and conditions for a borrowing made by the Province at the relevant time from the date of expenditure until repayment by the Financing Entity [and will (together with such interest) be paid by the Financing Entity upon demand and will until paid form part of the Obligations Secured and constitute a Finance Amount.[12]

ARTICLE VIL
NOTICE OF ASSUMPTION OF OBLIGATIONS SECURED

6.01 Delivery of Assumption Notice

The Province may provide notice (in the form of Exhibit B) to the Indenture Trustee that, in accordance with the terms of the Process Agreement, the Province has elected to assume the Financing Entity's obligations in respect of all Obligations Secured, as obligor and debtor (the "**Assumption Notice**"). The Assumption Notice shall specify the date on which the assignment and assumption of the Obligations Secured will be effective (the "**Assumption Closing Date**").

6.02 Cooperation to Implement the Assignment and Assumption

The Indenture Trustee, the FSM, the Financing Entity and the Province will cooperate and use [commercially reasonable efforts] to complete the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province, by the Assumption Closing Date.[13]

6.03 Effect of Assumption

On the date that the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province becomes effective (the "**Assumption Effective Date**"), the Province shall no longer be required to provide and perform the Limited Guarantee.

6.04 Interim Period

Until the effective time of the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province on the Assumption Effective Date, the Province shall continue to perform and be obligated under the Limited Guarantee.

[12] Note: General Regulation must be revised such that "Finance Amount" picks up guarantor amounts. Under consideration by MOE.

[13] Note: Further details regarding obtaining of third party consents and rating agency approvals to be considered.

ARTICLE VII
INDENTURE TRUSTEE MATTERS

7.01 Limited Recourse

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

7.02 Not Responsible for Recitals or Issuance of Notes

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

7.03 Representations and Covenants of the Indenture Trustee

The Indenture Trustee represents, warrants and covenants that:

(a) the Indenture Trustee is a trust company organized, existing and in good standing under the laws of Canada;

(b) the Indenture Trustee has full power and authority to execute, deliver and perform this Agreement and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement and other documents to which it is a party;

(c) each of this Agreement and the other documents to which it is a party has been duly executed and delivered by the Indenture Trustee and constitutes its legal, valid and binding obligation in accordance with its terms; and

(d) the Indenture Trustee is authorized to carry on the business of a trust company in each of the provinces and territories of Canada.

7.04 Release of all Collateral

(a) The Indenture Trustee shall not execute instruments to release Collateral from the Security Interest of the Trust Indenture, or convey the Indenture Trustee's interest (which is held by the Indenture Trustee for the benefit of the Specified Creditors) in the same, unless and until the rights and interests of the Province under Section 5.01 or otherwise as an assignee of any of the Obligations Secured or as a

subrogee have been satisfied in full and the Province has no continuing obligations under this Agreement.

(b) The Province shall be entitled to receive at least 10 Business Days' written notice when the Indenture Trustee proposes to take any action pursuant to Subsection 7.04(a), accompanied by copies of any instruments involved.

7.05 Right to Notice and Attend Meetings

The Financing Entity shall ensure that the Province receives advance notice of any meeting or proposed written resolution of Specified Creditors (or any of them) and the Province and its legal advisers shall be permitted to attend and be represented at any meeting of such Specified Creditors.

ARTICLE VIII
SUSPENSION OF ADHERENCE FOR NEW PRIMARY OBLIGATIONS

8.01 Suspension Notice

A written notice in the form of Exhibit C (a "**Suspension Notice**"):

(a) shall be provided by the FSM to the Province and the Indenture Trustee promptly following the occurrence of a Program Breach; and

(b) may be provided by the Province to the Indenture Trustee, the FSM and the Financing Entity following the occurrence of a Breach Event.

8.02 Suspension

If a Suspension Notice has been provided under Section 8.01 (the provision of such notice being a "**Suspension Event**"), the Financing Entity shall not incur any new or additional Obligation Secured and shall not amend or terminate any existing Obligation Secured except with the prior written consent of the Province.

8.03 Termination Notice

On the occurrence of a Suspension Event, the Province may provide to the Indenture Trustee, the FSM and the Financing Entity a notice in the form of Exhibit D (a "**Termination Notice**").

8.04 No Impact on Adherence

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

ARTICLE IX
MISCELLANEOUS

9.01 Term of Agreement

This Agreement will continue until the later of:

(a) the date that no amount is or may become due and payable by the Province under the Limited Guarantee; and

(b) the date that a Termination Notice is received by the Indenture Trustee, the FSM and the Financing Entity.

9.02 Notices

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

(a) if to the Financing Entity:

[Financing Entity]
c/o Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]
Email: [■]

with copies to:

[Financing Entity Trustee], in its capacity as Financing Entity Trustee for
[Financing Entity]
[Address]
Attention: [■]

Fax: (416) [■]
Email: [■]

[■]

(b) if to the FSM:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]
Email: [■]

(c) if to the Province:

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

and

Ministry of Energy
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

(d) if to the Indenture Trustee:

[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

or to such other addresses as a party may from time to time notify the other parties in accordance with this Section 9.02.

9.03 Assignment

(a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties.

(b) Any purported assignment of this Agreement in violation of this Section 9.03 shall be null and void.

9.04 Enurement

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

9.05 FIPPA

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

9.06 Confidentiality

[Note: To be considered based on what would be customary and appropriate for similar types of arrangements and would be acceptable to the Province. Note that this Agreement will become part of the package of rights acquired by investors and counterparties and so it is unclear to what extent confidentiality can or should be preserved in these circumstances.]

9.07 No Petition

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

9.08 Force Majeure

In no event shall the Indenture Trustee or the Financing Entity Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Indenture Trustee and the Financing Entity Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

9.09 Delivery of Executed Copies

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

[Signature page to follow]

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

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

By: _____
Name:
Title:

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

By: _____
Name:
Title:

ONTARIO POWER GENERATION INC., AS FSM

By: _____
Name:
Title:

By: _____
Name:
Title:

[FINANCING ENTITY TRUSTEE], IN ITS CAPACITY AS FINANCING ENTITY TRUSTEE FOR [FINANCING ENTITY]

By: _____
Name:
Title:

[INDENTURE TRUSTEE], AS INDENTURE TRUSTEE AND NOT IN ITS INDIVIDUAL CAPACITY

By: _____
Name:
Title:

SCHEDULE A
DEFINED TERMS

"**Acceleration**" has the meaning ascribed to the term "acceleration"[14] in the General Regulation.

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

"**Action**" has the meaning ascribed thereto under the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

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

"**Assumption Closing Date**" has the meaning ascribed thereto in Section 6.01.

"**Assumption Effective Date**" has the meaning ascribed thereto in Section 6.03.

"**Assumption Notice**" has the meaning ascribed thereto in Section 6.01.

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

"**Breach Event**" means the occurrence or existence of any one or more of the following: (a) a default in the performance, or breach, of any covenants of OPG under the Process Agreement; or (b) any representation or warranty made by OPG, or any certification made by OPG under the Process Agreement, proves to be incorrect in any material respect on the date made; or (c) OPG is no longer the FSM, the Administrative Agent or the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove OPG as the FSM, the Administrative Agent or the Manager.

"**Business Day**" means (a) any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are [, or the office of the Indenture Trustee is,] authorized or obligated by applicable law, regulation or executive order to be closed.

"**Capital Account**" has the meaning ascribed to the term "capital account" in the General Regulation.

"**Change of Law Protection Agreement**" means this Agreement.

[14] Note: A proposal to add this concept into the Regulation is under consideration by MOE. Further modifications to follow, depending on that process.

"**Collateral**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

"**Collection Account**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

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

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

"**Finance Reserve Account**" has the meaning ascribed to the term "finance reserve account" in the General Regulation [as of the date of this Agreement].

"**Financing Entity**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Financing Entity Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Financing Entity at such time.

"**FSM**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act [as of the date of this Agreement].

"**General Regulation**" means O. Reg. 206/17 made under the Act.

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

"**IESO**" has the meaning ascribed thereto in the Act [as of the date of this Agreement].

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

"**Investment Interest**" has the meaning ascribed to the term "Investment Interest" in the Act [as of the date of this Agreement].

"**Legislature**" means the Legislature of the Province of Ontario.

"**Limited Guarantee**" has the meaning ascribed thereto in Section 2.01(b).

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, and acknowledged and accepted by the Indenture Trustee.

"**Note**" or "**Notes**" has the meaning ascribed thereto under the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Noteholder**" has the meaning ascribed thereto under the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Obligations Secured**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**OIC**" has the meaning ascribed thereto in the second paragraph of the recitals in this Agreement.

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

"**Original Currency**" has the meaning ascribed thereto in Section 1.18(a).

"**Payment Demand**" has the meaning ascribed thereto in Section 2.01(a).

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

"**Primary Obligations**" means any Obligation Secured that is a Funding Obligation, other than (a) any amounts that are or become payable as a result of the exercise of an option of the Financing Entity following a Protection Event; and [(b) any amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account, Finance Reserve Account, or Supplemental Reserve Account.][15]

"**Process Agreement**" means the Change of Law Process Agreement dated [■], 2017 between the Province and OPG.

[15] Note: Possible simplification of definition structure under consideration.

"**Program Agreements**" has the meaning ascribed thereto in the Trust Indenture [as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee].

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

"**Protection Agreement Maximum"** means the dollar amount determined by the Province and of which OPG is provided notice in accordance with the Process Agreement.[16]

"**Protection Event**" means the occurrence of any of the following events:

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

(ii) the Legislature enacts or amends any other statute;

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

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

(v) there is a change in the organization or structure of the IESO or Ontario's electricity market[17] undertaken at the initiative of the Province or an entity controlled by the Province,

in each case, that materially and adversely affects (a) the ability of the Financing Entity to receive amounts on its Investment Interest so that it can pay Obligations Secured, or (b) this Agreement or any of the agreements under which Obligations Secured arise, other than if the Indenture Trustee has confirmed in writing that the effect under such agreements is otherwise acceptable; or

(b) a court of competent jurisdiction [in a final and non-appealable judgement][18] determines that all or a portion of the Act or the regulations made under the Act, as in effect on the date hereof, is *ultra vires* or invalid in a way that materially and

[16] Note: An alternative would be to expressly state the Program Agreement Maximum amount and the process by which this amount is determined in this Agreement.

[17] Note: Consider more clarity to "Ontario's electricity market".

[18] Under consideration to assess the marketability implications of this phrase.

adversely affects the ability of the Financing Entity to receive amounts on its Investment Interest so that it can pay Obligations Secured.

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

"**Repayment**" has the meaning ascribed thereto in the General Regulation.

"**Second Currency**" has the meaning ascribed thereto in Section 1.18(b).

"**Security Interest**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Specified Creditors**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Supplemental Reserve Account**" has the meaning ascribed in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Suspension Event**" has the meaning ascribed thereto in Section 8.02.

"**Suspension Notice**" has the meaning ascribed thereto in Section 8.01.

"**Termination Notice**" has the meaning ascribed thereto in Section 8.03.

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

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

EXHIBIT A
FORM OF PAYMENT DEMAND

EXHIBIT B
ASSUMPTION NOTICE

EXHIBIT C
SUSPENSION NOTICE

EXHIBIT D
TERMINATION NOTICE

Internal Draft: November 2, 2017

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

AND

ONTARIO POWER GENERATION INC.

CHANGE OF LAW PROCESS AGREEMENT

Dated as of [■], 2017

This **CHANGE OF LAW PROCESS AGREEMENT**, between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the "**Province**"), and Ontario Power Generation Inc. ("**OPG**"), is made and entered into as of [■], 2017.

RECITALS

OPG is appointed as the Financial Services Manager under Section 18 of the *Ontario Fair Hydro Plan Act, 2017* (the "**Act**").

Pursuant to Section 22(2) of the Act, OPG, in its capacity as the Financial Services Manager (the "**FSM**"), may establish or cause to be established one or more financing entities (as defined in the Act), which may incur Funding Obligations in accordance with the Act.

Pursuant to a Declaration of Trust dated as of ■, 2017, the FSM [established] the Financing Entity as a "financing entity" (as defined in the Act) for the purposes contemplated in the Act.

Concurrent with this Agreement, the Province, the FSM, the Financing Entity and the Indenture Trustee will enter into the Change of Law Protection Agreement under which the Province will agree to provide protections and assurances to the Indenture Trustee, for the benefit of the Beneficiaries, in respect of Obligations Secured that constitute Approved Obligations, in order to address concerns that would arise from a change or adverse determination of law, subject in each case to the satisfaction of the Adherence Conditions at the time the Approved Obligation is incurred or amended.

This Agreement sets out the obligations OPG has agreed to perform and assurances OPG has agreed to provide and on which the Province will rely in entering into and implementing the Change of Law Protection Agreement, including for the purposes of determining whether the Adherence Conditions have been satisfied in connection with the incurrence or amendment of an Approved Obligation, maintaining information related to the Program Agreement and the Approved Obligations, and ensuring that the Province's assumption rights pursuant to Article VI of the Change of Law Protection Agreement may be exercised without impediment on the terms and conditions contemplated in this Agreement and the Change of Law Protection Agreement.

All things necessary to make this Agreement a valid and legally binding agreement of OPG, and of the Province in accordance with the Act and the OIC, have been done.

AGREEMENT OF THE PARTIES

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

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

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

(a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A;

(b) the terms used in this Agreement that are not defined in this Agreement shall have the meanings assigned to them in the Change of Law Protection Agreement;

(c) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;

(d) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;

(e) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;

(f) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;

(g) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

(h) all references in this Agreement to designated "Sections", "Subsections" "Schedules", "Exhibits" and other subdivisions are to the designated, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, Subsection, Schedule, Exhibit or other subdivision;

(i) "including" and words of similar import will be deemed to be followed by "without limitation"; and

(j) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.02 References to the Financing Entity or the Financing Entity Trustee

For greater certainty, each reference to the Financing Entity or to the Financing Entity Trustee shall be construed as a reference to the Financing Entity Trustee, as trustee of the Financing Entity.

1.03 Effect of Headings

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

1.04 Successors and Assigns

All covenants and agreements in this Agreement by the parties will bind their respective successors and permitted assigns, whether so expressed or not.

1.05 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.06 Governing Law

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

1.07 Proceedings Against the Crown Act

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

1.08 Attornment

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

1.09 Counterparts; Electronic Delivery

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

1.01 Change of Law Process Agreement Referred to in the Change of Law Protection Agreement

This Agreement is the "Change of Law Process Agreement" referred to in the Change of Law Protection Agreement.

1.10 Non-Business Days

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

1.11 Waiver, Amendment

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

ARTICLE II
COVENANTS OF OPG

2.01 Deliveries to the Province

(a) Not less than ■ Business Days prior to the initial issuance of any Funding Obligation by the Financing Entity, OPG shall deliver to the Province a copy of

the initial Financing Plan. Thereafter, OPG shall promptly deliver to the Province a copy of any proposed change to or replacement of the Financing Plan.

(b) Not less than ■ Business Days prior to the initial issuance of any Funding Obligation by the Financing Entity, OPG shall deliver to the Province an analysis and assessment of the tax position of the Financing Entity. Thereafter, OPG shall promptly deliver to the Province a copy of any proposed change to or replacement of such analysis and assessment.

(c) Not less than ■ Business Days prior to any proposed change, addition or supplement to a Transaction Document becoming effective or otherwise being used, OPG shall deliver to the Province a copy of such proposed change, addition or supplement to the Transaction Document.

(d) Promptly following any incurrence of a Funding Obligation or any amendment of a Funding Obligation, OPG shall provide the Province with electronic copies of all related Governing Documents and all other closing documents executed by or on behalf of the Financing Entity in connection with such incurrence or amendment that would affect the Financing Entity's assets or obligations (including, for greater certainty, any related Disclosure Document).

(e) Promptly upon request, OPG shall provide the Province with such additional information and documentation as the Province requests in order to enable the Province to assess the nature and extent of its obligations under the Change of Law Protection Agreement.

(f) OPG shall, as the FSM, cause the Financing Entity to deliver to the Province copies of the Financing Entity's annual tax returns and any related tax assessment not more than ■ Business Days after such a tax return or tax assessment is required to be filed under applicable law.[1]

2.02 Covenants

(a) OPG shall, as the FSM, cause the Financing Entity to:

(i) punctually perform and observe all of its obligations and agreements contained in the Program Agreements;

(ii) ensure that all Obligations Secured are incurred pursuant to and in accordance with the terms and conditions of the Trust Indenture;

(iii) ensure that no obligations other than the Obligations Secured are incurred by or on behalf of the Financing Entity;

[1] Note: The tax documents to be provided to the Province are under consideration.

(iv) not engage in any business other than as permitted under the Declaration of Trust or the other Program Agreements and activities ancillary thereto; and

(v) not, without the prior written consent of the Province:

(A) amend, supplement, modify, restate or replace or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to any of the Program Agreements, if any such supplementation, amendment, modification, restatement or replacement or waiver or consent could reasonably be considered to be materially prejudicial to the rights or interests of the Province under the Change of Law Protection Agreement;

(B) consent to the resignation of (1) the Administrative Agent under the Administrative Services Agreement; or (2) the Manager under the Management Agreement;

(C) consolidate or merge with or into any other Person;

(D) permit the validity or effectiveness of the Change of Law Protection Agreement to be impaired;

(E) permit any Lien (other than the Security Interest) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the proceeds thereof;

(F) sell, transfer, exchange or otherwise dispose of any of the Collateral, other than as expressly permitted by the Trust Indenture;

(G) release any security or guarantee in respect of the Collateral other than as expressly permitted by the Trust Indenture; or

(H) voluntarily dissolve or liquidate.

(b) OPG shall:

(i) comply, and as the FSM cause compliance by the Financing Entity, with the Act, the General Regulation and any other enactment related thereto;

(ii) promptly notify the Province of the creation of any Funding Obligation that is not or would not be an Approved Obligation;

(iii) after the occurrence of any Protection Event (or any event that with the passage of time or the giving of notice would be a Protection Event), not, without the Province's prior written consent, permit the Financing Entity to exercise any redemption, pre-payment, early termination or extension

right in respect of any Approved Obligation or exercise any other election or privilege in respect of any Approved Obligation, in each case if as a result the obligations applicable to the Approved Obligation under this Agreement would be accelerated, delayed or otherwise affected; and

(iv) ensure that any disclosure (including any Disclosure Document) that refers to or describes the terms, effect or adherence of or to this Agreement will be subject to the prior review of the Province and such disclosure will not be made (and any such Disclosure Document shall not be used) without the prior written consent of the Province.

ARTICLE III
PROCESS CERTIFICATE

3.01 Process Certificate

OPG shall deliver a certificate (the "**Process Certificate**"), signed by the Chief Financial Officer and the Treasurer of OPG (or their respective designees, provided that such designees are also executive officers of OPG) and addressed to the Province, not less than ■ Business Days prior to the incurrence or any amendment of a Primary Obligation, setting out the following with respect to the Primary Obligation:

(a) the material terms of the Funding Obligations pertaining to principal amount, pricing and third party fees;[2]

(b) if an existing Primary Obligation is proposed to be amended, material details respecting such amendment and the anticipated effect of the amendment on or in relation to the affected terms and conditions of the Primary Obligation, including regarding the applicable details set forth in Subsection 3.01(a), as the context requires;

(c) a statement that: (i) the Primary Obligation to be incurred or amended (1) will arise under terms and conditions that are Substantially in the Form of the Reviewed Documentation applicable thereto; (2) in the opinion of the signatories to the Process Certificate, are reasonably incurred in compliance with the Act, the General Regulation, any other enactments related thereto and the applicable Financing Plan; (3) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and (4) reflect, in all material respects, arm's length terms and conditions; and (ii) any Disclosure Document used in connection with the offering and sale of notes, bonds or other securities is Substantially in the Form of the Reviewed Documentation;

[2] Note: Level of detail required by the Province is under consideration. Province to consider whether it would like further details regarding Principal Obligations, Redemption Obligations, Interest Obligations, Hedging Obligations, Third Party Expense Obligations or Other Funding Obligations. In desirable, particulars regarding Hedging Obligations and the market in which notes are issued to be considered.

(d) a statement that no Breach Event has occurred on or prior to the date of the Process Certificate, unless such Breach Event has been waived by the Province in writing; and

(e) if the Primary Obligation is a [borrowing], confirmation that, at the time the Primary Obligation is incurred or amended, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Primary Obligation, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under Approved Obligations, do not and will not exceed the Protection Agreement Maximum.

3.02 Acknowledgment

The parties acknowledge that the Process Certificate is the certificate referred to in Subsection 4.02(d)(ii) of the Change of Law Protection Agreement.

3.03 Meaning of "Reviewed Documentation"

For the purposes of Subsection 3.01(c), the term "Reviewed Documentation" shall mean each Transaction Document (including any change, addition or supplement thereto) that, at the relevant time:

(a) has been provided to the Province in accordance with Subsection 2.01(c); and

(b) has been accepted by the Province, as confirmed by way of a written notice of acceptance from the Province delivered to OPG.

3.04 Meaning of "Substantially in the Form"

For the purposes of Subsection 3.01(c), the term "Substantially in the Form" shall mean:

(a) with respect to the Reviewed Documentation referred to in clauses (i) to (xi) of the definition of "Transaction Documents", that there are no differences between the proposed documents and such Reviewed Documentation that could result in a change in the material terms or conditions applicable to the applicable Primary Obligation, including regarding the timing of or circumstances under which related payments are or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization), or that would affect the Province's rights of subrogation or assignment (including pursuant to Section 5.01 of the Change of Law Protection Agreement) or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation;

(b) with respect to the Reviewed Documentation referred to in clauses (v) to (ix) of the definition of "Transaction Documents", and, where applicable, clauses (x) and (xi) of the definition of "Transaction Documents" as the context requires, that the variable terms to be set forth in the proposed documents are as reasonably contemplated in the Reviewed Documentation, as to the type, scope and extent of

the Primary Obligations arising thereunder and as to the timing, conditions and circumstances in which payment obligations under such Primary Obligations may arise, but without regard to the particular financial terms, rates and levels set forth in the proposed documents other than to the extent that the forms of Reviewed Documentation themselves specify specific requirements, limitations or parameters with respect to such financial terms, rates, levels and parameters; and

(c) with respect to the Reviewed Documentation referred to in clause (xii) of the definition of "Transaction Documents", that there are no material differences between the form and substance of the proposed Disclosure Document and such form of Disclosure Document and that the proposed disclosure document complies in all material respects with all securities disclosure requirements relating to the Primary Obligation subject to distribution thereunder.

ARTICLE IV
PROTECTION AGREEMENT MAXIMUM

4.01 Protection Agreement Maximum

(a) The initial Protection Agreement Maximum shall be determined by the Province prior to the initial issuance of the first Funding Obligation. The initial Protection Agreement Maximum will be confirmed by the Province by notice in writing to OPG, as the FSM.

(b) Not less than ■ Business Days prior to the proposed incurrence of the first Funding Obligation, OPG shall, as the FSM, deliver to the Province a forecast setting out OPG's expectations regarding the aggregate maximum amount of Repayments that would arise in the future under Approved Obligations to be incurred during the next following 24 month period (the "**Initial Forecast Period**"), which expectations shall be consistent with the applicable Financing Plan (the "**Initial Forecast**"). In determining the initial Protection Agreement Maximum, the Province may have regard to (but not be bound by) the Initial Forecast.

(c) Between nine (9) and twelve (12) months prior to the end of the Initial Forecast Period, OPG shall, as the FSM, deliver to the Province an updated forecast setting out the sum of (1) the aggregate amount of Repayments that will arise in the future under Approved Obligations that are then outstanding and (2) OPG's expectations regarding the aggregate maximum amount of Repayments that would arise in the future under Approved Obligations to be incurred during the period ending 24 months following the Initial Forecast Period, which expectation shall be consistent with then applicable Financing Plan. Such updated forecast shall be further updated on a similar basis with respect to each successive 24 month period or more frequently if at any time OPG has knowledge that the most recent forecast is materially inaccurate (the Initial Forecast and each such updated forecast, each a "**Forecast**").

(d) Upon receiving an updated Forecast, the Province shall determine whether or not the Protection Agreement Maximum will be revised. In determining whether the Protection Agreement Maximum will be revised, the Province may have regard to (but not be bound by) such updated Forecast. Any determination by the Province to revise the Protection Agreement Maximum will be confirmed by setting out a new Protection Agreement Maximum in a written notice from the Province to the FSM and the Indenture Trustee, the delivery of which will be conclusive evidence that such new Protection Agreement Maximum will apply until it may be further so revised.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

5.01 Representations and Warranties of OPG

OPG represents and warrants that on the date hereof and on each day that a Primary Obligation is incurred or amended:

(a) The Financing Entity is a trust duly constituted and validly existing under the laws of the Province of Ontario, is duly qualified to carry on its business in each jurisdiction in which it carries on business, and has the power and authority to perform the acts that OPG, as the FSM, shall cause it to perform pursuant to this Agreement and to own its property and carry on its business in accordance with the Program Agreements.

(b) OPG is a corporation duly constituted and validly existing under the laws of the Province of Ontario, is duly qualified to carry on its business in each jurisdiction in which it carries on business, has the power and authority to enter into and perform its obligations under this Agreement and all instruments and agreements delivered pursuant hereto and to own its property and carry on its business as currently conducted.

(c) OPG has been validly appointed, and has irremovably accepted such appointment, as the FSM in accordance with the Act. OPG has the power and authority to enter into and perform its obligations as the FSM under the Program Agreements and all instruments and agreements delivered pursuant thereto.

(d) The execution, delivery and performance of this Agreement and every instrument or agreement delivered pursuant hereto or in its capacity as the FSM has been or will be duly authorized by all requisite action by OPG and constitute a valid and binding obligation of OPG enforceable against OPG in accordance with its terms subject to (i) applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally, and (ii) equitable principles which may limit the availability of certain remedies, including the remedy of specific performance.

(e) There are no actions, suits or proceedings pending or, to the knowledge of OPG, threatened against or affecting OPG (including in its capacity as the FSM) or the

Financing Entity at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of OPG or the Financing Entity or in the ability of OPG or the Financing Entity to perform their respective obligations under the Program Agreements.

(f) There are no actions, suits or proceedings pending or, to the knowledge of OPG, threatened against or affecting OPG at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of OPG or in the ability of the OPG to perform its obligations under this Agreement or the Program Agreements.

(g) The performance by the Financing Entity of the Program Agreements does not conflict with, will not conflict with, does not result in, and will not result in, any breach of, and does not constitute, a default under, the Declaration of Trust or any agreements or instruments to which the Financing Entity is a party or by which it or any of its property and assets are bound.

(h) Neither the execution nor delivery of this Agreement, the Program Agreements nor any agreements or instruments delivered pursuant hereto or thereto, the consummation of the transactions herein or therein, nor compliance with the terms, conditions and provisions hereof or thereof conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under, any of the provisions of the constating documents of OPG or any agreements or instruments to which OPG is a party or by which it or any of its property and assets are bound.

(i) No consent, approval or authorization of, or declaration, registration, filing or qualification with, or giving of notice to, or taking of any other action in respect of, any Governmental Authority on the part of OPG is required in connection with the execution and delivery of this Agreement, the Program Agreements or any agreements or instruments delivered pursuant hereto or thereto or the consummation of any of the transactions contemplated hereby or thereby or in connection with the enforcement of this Agreement, the Program Agreements or any agreements or instruments delivered pursuant hereto or thereto, except those which have been obtained.

ARTICLE VI
ELECTION TO ASSUME APPROVED OBLIGATIONS

6.01 Election by the Province

At any time following the occurrence of a Protection Event, the Province may (but shall not be obligated) to elect to assume the Financing Entity's obligations in respect of all Obligations Secured, as obligor and debtor. To make such election, the Province shall duly

complete and deliver to OPG a notice in the form of Exhibit A (an "**Election Notice**"), which in turn will set forth the form of agreement (an "**Assumption Agreement**") setting forth the material terms and conditions under which the Province would assume and become obligated under each of the Obligations Secured. The Election Notice shall, among other things, specify the date on which the Province proposes to assume the Obligations Secured, which date shall be no earlier than 20 Business Days following delivery of the Election Notice to OPG (the "**Proposed Assumption Date**").

6.02 Details regarding Obligations Secured

Promptly following the delivery of the Election Notice to OPG, OPG shall provide the following information and documentation to the Province:

(a) a summary of the amounts that will be owing under all Obligations Secured as of the Proposed Assumption Date, together with a detailed schedule setting out the dates on which such amounts will become due and payable under the Obligations Secured;

(b) a summary of the rights arising under the Obligations Secured that permit the Financing Entity to assign the Obligations Secured to the Province, including details regarding any conditions precedent to such assignment and the related assumption becoming effective and any notices, filings, consents or other actions that will be required in order to implement and effect such assignment and assumption;

(c) current versions of all documentation under which the Obligations Secured arise;

(d) copies of all correspondence exchanged between OPG, as the FSM, or the Financing Entity, on the one hand, and any Specified Creditor, Rating Agency or the Indenture Trustee, on the other hand, in each case that may reasonably be considered to be material to the assumption and performance of the Obligations Secured by the Province;

(e) all income tax returns and assessments, financial statements and notices of proceedings of or pertaining to the Financing Entity or its business and any documentation related thereto, including any pleadings, appeals, objections, qualifications or other similar materials in respect of the Financing Entity or any Program Agreement; and

(f) a draft version of the Assumption Agreement prepared in relation to each Obligation Secured, prepared in accordance with and having regard to the requirements of the relevant agreement(s) under which the Obligation Secured arises.

6.03 Settlement of Terms

Within ■ Business Days following receipt by the Province of the information and documentation to be provided under Section 6.02, the Province shall confirm in writing whether

or not it will proceed with the assignment and assumption of the Obligations Secured and, if it will be proceeding with the assignment and assumption, the date on which the Province intends that assignment and assumption will be effected, which may not be earlier than the Proposed Assumption Date. If it will be proceeding with such assignment and assumption, the Province will deliver an Assumption Notice as contemplated under Section 6.01 of the Change of Law Protection Agreement, which will specify such date as the "Assumption Closing Date" for the purposes thereof.

6.04 Cooperation to Implement the Assignment and Assumption

OPG shall cooperate with the Province and, as FSM, will cause the Financing Entity to cooperate to complete the assignment and assumption of the Obligations Secured by and from the Financing Entity to and by the Province, by the applicable Assumption Closing Date.[3]

6.05 Terms of Obligations Secured

In order to permit the Province to assume the Obligations Secured in the circumstances contemplated herein, OPG will, and as FSM, will cause the Financing Entity to, ensure that all Obligations Secured permit such an assignment to and assumption by the Province substantially in accordance with the terms and on the basis contemplated in the Assumption Agreement, without any penalty or make-whole payment, or any requirement for further consent, approval or agreement, or alternatively, in the case of any Obligations Secured entered into by or on behalf of the Financing Entity for the provision of on-going services to the Financing Entity, permitting the satisfaction and termination of such Obligations Secured on or prior to the effective time of such assumption without any acceleration of future fees, profits or other like amounts.[4]

ARTICLE VII
BREACH EVENTS

7.01 Breach Events

"**Breach Event**" shall mean the occurrence or existence of any one or more of the following:

(a) a default in the performance, or breach, of any covenants of OPG under this Agreement (including in respect of its role as FSM under any Program Agreement;

(b) any representation or warrant made by OPG in this Agreement, or any certification made in a Process Certificate, proves to be incorrect on the date made; or

[3] Note: Further details regarding obtaining of third party consents and rating agency approvals to be considered.

[4] Note: The Trust Indenture will need to include a clause providing that the obligations of the Financing Entity to the Indenture Trustee and the Noteholders may be assigned to the Province in accordance with an assumption agreement, substantially in the form set out in an exhibit to the Trust Indenture.

(c) OPG is no longer the FSM, the Administrative Agent or the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove OPG as the FSM, the Administrative Agent or the Manager.

7.02 Notice on Breach Event

If any Breach Event shall have occurred and not been waived in writing by the Province, the Province shall have the right, upon written notice to OPG at its option, and in addition to and not in substitution for any other remedies available hereunder at law or equity, to provide notice to the Indenture Trustee that a Breach Event has occurred and, in accordance with the Change of Law Protection Agreement, that the Limited Guarantee does not and will not apply to any Primary Obligations that may thereafter be incurred or amended by or on behalf of the Financing Entity.[5]

ARTICLE VIII
MISCELLANEOUS

8.01 Term of Agreement

This Agreement will continue for the term of the Change of Law Protection Agreement.

8.02 Notices

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

(a) if to OPG:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: [■]
Fax: (416) [■]

[5] NTD: Carve-out for re-financings of Approved Obligations already in existence is under consideration.

Email: [■]

(b) if to the Province:

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

and

Ministry of Energy
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

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

8.03 Assignment

(a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties.

(b) Any purported assignment of this Agreement in violation of this Section 8.03 shall be null and void.

8.04 Enurement

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

8.05 FIPPA

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

8.06 Confidentiality

[Note: To be considered based on what would be customary and appropriate for similar types of arrangements and would be acceptable to the Province.]

8.07 Delivery of Executed Copies

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

[Signature page to follow]

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

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

By: _____

Name:
Title:

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

By: _____

Name:
Title:

ONTARIO POWER GENERATION INC.

By: _____

Name:
Title:

By: _____

Name:
Title:

Each of the undersigned hereby acknowledge the foregoing as of the day and year first above written.

[FINANCING ENTITY TRUSTEE], IN ITS CAPACITY AS FINANCING ENTITY TRUSTEE FOR [FINANCING ENTITY]

By: _____
Name:
Title:

[INDENTURE TRUSTEE], AS INDENTURE TRUSTEE AND NOT IN ITS INDIVIDUAL CAPACITY

By: _____
Name:
Title:

SCHEDULE A
DEFINED TERMS

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

"**Adherence Conditions**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

["**Administrative Agent**" means OPG, in its capacity as administrative agent of the Financing Entity under the Administrative Services Agreement.]

["**Administrative Services Agreement**" means the administrative services agreement dated [■], 2017 between the Financing Entity and the Administrative Agent concerning the reimbursement of certain costs incurred by the Administrative Agent in connection with the administration of the Financing Entity.][6]

"**Approved Obligation**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Assumption Agreement**" has the meaning ascribed thereto in Section 6.01.

"**Assumption Closing Date**" has the meaning ascribed thereto in Section 6.03.

"**Beneficiaries**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Breach Event**" has the meaning ascribed thereto in Section 7.01.

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

"**Capital Account**" has the meaning ascribed to the term "capital account" in the General Regulation.

"**Change of Law Protection Agreement**" means the Change of Law Protection Agreement dated [■], 2017 among the Province, the Financing Entity, the FSM and the Indenture Trustee.

"**Collateral**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Financing Entity and any other owner or owners of an Investment Interest as contemplated by Subsection 29(5) of the Act.

[6] Note: To be confirmed if required.

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

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

"**Disclosure Document**" means a disclosure document (including any offering circular, prospectus or other investor disclosure statement) describing the material terms of the notes, bonds or securities to be issued pursuant to a supplemental indenture under the Trust Indenture, together with any related material information;

"**Election Notice**" has the meaning ascribed thereto in Section 6.01.

"**Finance Reserve Account**" has the meaning ascribed to the term "finance reserve account" in the General Regulation [as of the date of this Agreement].

"**Financing Entity**" means [■], a trust settled by the FSM under the laws of the Province of Ontario and under which the Financing Entity Trustee is the trustee.

"**Financing Entity Trustee**" means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Financing Entity at such time.

"**Financing Plan**" has the meaning ascribed thereto in the Act.

"**Forecast**" has the meaning ascribed thereto in Section 4.01(c).

"**FSM**" has the meaning ascribed thereto in the second paragraph of the recitals of this Agreement.

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act.

"**General Regulation**" means O. Reg. 206/17 made under the Act.

"**Governing Document**" has the meaning ascribed to the term "governing document" in the General Regulation.

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

"**IESO**" has the meaning ascribed thereto in the Act.

"**Indenture Trustee**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Initial Forecast**" has the meaning ascribed thereto in Section 4.01(b).

"**Initial Forecast Period**" has the meaning ascribed thereto in Section 4.01(b).

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act.

"**Legislature**" means the Legislature of the Province of Ontario.

"**Lien**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Limited Guarantee**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

["**Management Agreement**" means the management agreement dated [■], 2017 between the Manager and the Financing Entity.]

["**Manager**" means OPG, in its capacity as manager of the Financing Entity under the Management Agreement.][7]

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, and acknowledged and accepted by the Indenture Trustee.

"**Obligations Secured**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**OPG**" has the meaning ascribed thereto in the first paragraph of this Agreement.

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

"**Primary Obligations**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

"**Process Certificate**" has the meaning ascribed thereto in Section 3.01.

"**Program Agreements**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

[7]Note: To be confirmed if required. Also note that the draft Trust Indenture refers to OPG as the "manager" (rather than "Financial Services Manager" as under the Act). To be reconciled.

"**Proposed Assumption Date**" has the meaning ascribed thereto in Section 6.01.

"**Protection Agreement Maximum**" means the dollar amount determined by the Province and of which OPG is provided written notice in accordance with Article IV.

"**Protection Event**" has the meaning ascribed thereto in the Change of Law Protection Agreement.

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

"**Rating Agency**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Repayment**" has the meaning ascribed thereto in the General Regulation.

"**Security Interest**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Specified Creditors**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

"**Supplemental Reserve Account**" has the meaning ascribed thereto in the Trust Indenture as of the date of this Agreement or hereafter as may be confirmed by notice in writing from the Province to the Indenture Trustee.

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

"**Transaction Document**" means (i) all constating and organizational documents of the Financing Entity, including the Declaration of Trust; (ii) any management, administration or servicing agreement to which the Financing Entity is a party, including any replacement or standby services agreement, the Administrative Services Agreement and the Management Agreement; (iii) the Master Transfer and Servicing Agreement between the Financing Entity and the IESO; (iv) Trust Indenture; (v) the form of supplemental indenture (supplemental to the Trust Indenture) governing the terms and conditions of a sample series of notes, bonds or other securities to be issued by the Financing Entity, including the particular allocations, security and priority of the Obligations Secured being serviced by the related Investment Interest and any other related series property; (vi) the form of any note, bond or securities purchase agreement; (vii) the form of underwriting agreement, agency agreement, selling agreement and/or subscription agreement that may be used with respect to a sale of a related series of notes, bonds or securities to be issued under the supplemental indenture referred to in (v), above; (viii) the form of any loan or credit agreement governing the issuance of short term loan obligations by the Financing Entity; (ix) the form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the Financing Entity from time to time; (x) the form of any other agreement or instrument under which a Funding Obligation may arise or be effected,

including any other agreement under which the Financing Entity incurs a material financial obligation or that affects the Province's subrogation rights and/or subrogee interests, including any standby liquidity arrangements or credit enhancement agreements; (xi) if applicable, a Co-Owner Agreement or any other agreement governing the respective interests of persons having rights or interests in the investment asset or other assets of the Financing Entity, including any other agreement of the sort contemplated in Subsection 29(5) of the Act; and (xii) the form of Disclosure Document.

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

EXHIBIT A
FORM OF ELECTION NOTICE

(form of Assumption Agreement to be attached, once settled)

From: William Tan
To: Sarah Harris
Subject: FW: Revised email: FHP Status Update
Date: Friday, October 13, 2017 4:21:31 PM

Hi Sarah, I have revised the FHP email. Please review when you have a moment.
To: Carlos Yep <Carlos.Yep@ofina.on.ca>John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>;
Hello All,

This is to provide a status update for the existing $975 million OFA IESO Credit Facility (to be reduced to $475 million) and new $2 Billion FHP Credit Facility agreements. The agreements will be executed immediately after the certain approvals have been made.

Currently, FHP related advances are being drawn on the existing $975 million OFA IESO Credit Facility. Once the agreements are in place, the intention is to have IESO draw primarily from the new $2 Billion FHP Credit Facility and reduce the existing $975 million OFA IESO Credit Facility down to the $475 million.

According to IESO the next draw will occur on October 20, for $840 million (outstanding loan + new advance).

The amount for the subsequent draw on November 21, is currently unknown but is expected to exceed the existing $975 million OFA IESO Credit Facility limit.

Assuming the $2 Billion FHP Credit Facility agreement is signed before November 21, we are considering two options for the November 21 advances (I will be consulting with IESO to determine which option will be chosen):

(1) IESO will submit a borrowing notice for the November draw to be drawn entirely from the $2 Billion FHP Credit Facility.

Or

(2) IESO will submit a borrowing notice to draw a portion from the $2 Billion FHP Credit Facility in combination with an election notice to draw a portion of the remaining outstanding amount to allow for the existing OFA IESO Credit Facility to be reduced to below $475 million.

I understand this transaction is to be administered in OLMS. I am providing this to all parties so that they may determine what arrangements are necessary in this regard.

I will keep you updated as to the status of the execution of the agreements any updates with regard to the November draw.

Thanks,
Will

From: William Tan
Sent: Thursday, October 12, 2017 1:53 PM
To: 'Sarah Harris'
Subject: FW: Revised email: FHP Status Update
Hi Sarah, I have revised the FHP email. Please review when you have a moment.
To: Carlos Yep <Carlos.Yep@ofina.on.ca>John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>;
Hello all,
This is to provide a status update for the Existing $975 million Credit Facility (to be reduced to $475

million) and $2 Billion FHP Credit Facility agreements. The agreements will be executed once outstanding matter has been resolved.
As it sits now, FHP related advances are being drawn on the $975 million Credit Facility. Once the agreements are in place the intention is to have IESO draw primarily from the new $2 Billion FHP Credit Facility and reduce the Existing Credit Facility to below $475 million.
November 21, draw will likely take the form of:
Borrowing Notice for the November draw under the $2 Billion FHP Credit Facility (entire balance).
Or
A combination of Borrowing Notice under the $2 Billion FHP Credit Facility (portion).
Election Notice for an outstanding amount to allow for the Existing Credit Facility to be reduced to $475 million (portion).
I understand this transaction is to be administered in OLMS. I am providing this to all parties so that they may determine what arrangements are necessary in this regard.
I will keep you updated as to the status of the execution of the agreements any updates with regard to the November draw.
Thanks,
Will

From: William Tan
Sent: Thursday, October 12, 2017 9:40 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Revised email: FHP Status Update
To: Carlos Yep <Carlos.Yep@ofina.on.ca>John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>;
Hello all,
This is to provide an update to the execution to the Existing $975 million Credit Facility and $2 Billion FHP Credit Facility.
As it sits now, FHP related advances are being drawn on the $975 million Credit Facility. Once the agreements are in place the intention is to have IESO draw primarily from the new $2 Billion FHP Credit Facility and reduce the Existing Credit Facility to below $475 million.
This will likely take the form of:
Borrowing Notice for the November draw under the $2 Billion FHP Credit Facility (entire balance).
Election Notice for amount for the November draw to reduce the Existing Credit Facility down to $475 million (if some balance remains in this credit facility).
I understand there is uncertainty how this is administered this in OLMS. I am providing this to all parties so that they may determine what arrangements are necessary in this regard.
I will keep you updated as to the status of the execution of the agreements any updates with regard to the November draw.
Thanks,
Will

From: William Tan
Sent: Wednesday, October 11, 2017 3:04 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Draft email: FHP Status Update
To: Carlos Yep <Carlos.Yep@ofina.on.ca>

Cc: John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>

Hello Carlos,

IESO will likely require a total advance of $840 million (outstanding loan + new advance) on October 20. Borrowing/Election Notice to be received on October 18.

Currently, the $2 Billion FHP Credit Facility Agreement has not been executed yet.

Once the $2 Billion FHP Credit Facility Agreement is signed, the November 21 advance can be done in a variety of ways:

Examples:

i. All Amounts mature under the $975 million Existing Credit Facility (reduce the Existing Credit Facility to $475 million).
   Advance the entire required balance from the $2 Billion FHP Credit Facility.
   Requires: One Borrowing Notice from the $2 Billion FHP Credit Facility.

ii. Portion Enough of the outstanding balance is allowed to mature to fit under the to $475 million Credit Facility.
   Advance the matured portion and new advance to the $2 Billion FHP Credit Facility.
   Requires: Election Notice $475 million Existing Credit Facility.
   Borrowing Notice $2 Billion Credit Facility.

John, please notify Carlos of the preferred method of rolling over/advancement of the amounts (above are suggestions only) and how to structure the transaction on OLMS.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: William Tan
To: Sarah Harris
Subject: FW: Revised email: FHP Status Update
Date: Thursday, October 12, 2017 1:52:40 PM

Hi Sarah, I have revised the FHP email. Please review when you have a moment.
To: Carlos Yep <Carlos.Yep@ofina.on.ca>John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>;
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As it sits now, FHP related advances are being drawn on the $975 million Credit Facility. Once the agreements are in place the intention is to have IESO draw primarily from the new $2 Billion FHP Credit Facility and reduce the Existing Credit Facility to below $475 million.
November 21, draw will likely take the form of:
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Or
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This will likely take the form of:
Borrowing Notice for the November draw under the $2 Billion FHP Credit Facility (entire balance).
Election Notice for amount for the November draw to reduce the Existing Credit Facility down to $475 million (if some balance remains in this credit facility).
I understand there is uncertainty how this is administered this in OLMS. I am providing this to all

parties so that they may determine what arrangements are necessary in this regard.
I will keep you updated as to the status of the execution of the agreements any updates with regard to the November draw.
Thanks,
Will

From: William Tan
Sent: Wednesday, October 11, 2017 3:04 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Draft email: FHP Status Update
To: Carlos Yep <Carlos.Yep@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Hello Carlos,
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Currently, the $2 Billion FHP Credit Facility Agreement has not been executed yet.
Once the $2 Billion FHP Credit Facility Agreement is signed, the November 21 advance can be done in a variety of ways:
Examples:
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Advance the entire required balance from the $2 Billion FHP Credit Facility.
Requires: One Borrowing Notice from the $2 Billion FHP Credit Facility.
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Advance the matured portion and new advance to the $2 Billion FHP Credit Facility.
Requires: Election Notice $475 million Existing Credit Facility.
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John, please notify Carlos of the preferred method of rolling over/advancement of the amounts (above are suggestions only) and how to structure the transaction on OLMS.
Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca
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From: William Tan
To: Sarah Harris
Subject: FW: Revised email: FHP Status Update
Date: Thursday, October 12, 2017 1:52:40 PM

Hi Sarah, I have revised the FHP email. Please review when you have a moment.
To: Carlos Yep <Carlos.Yep@ofina.on.ca>John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>;
Hello all,
This is to provide a status update for the Existing $975 million Credit Facility (to be reduced to $475 million) and $2 Billion FHP Credit Facility agreements. The agreements will be executed once outstanding matter has been resolved.
As it sits now, FHP related advances are being drawn on the $975 million Credit Facility. Once the agreements are in place the intention is to have IESO draw primarily from the new $2 Billion FHP Credit Facility and reduce the Existing Credit Facility to below $475 million.
November 21, draw will likely take the form of:
Borrowing Notice for the November draw under the $2 Billion FHP Credit Facility (entire balance).
Or
A combination of Borrowing Notice under the $2 Billion FHP Credit Facility (portion).
Election Notice for an outstanding amount to allow for the Existing Credit Facility to be reduced to $475 million (portion).
I understand this transaction is to be administered in OLMS. I am providing this to all parties so that they may determine what arrangements are necessary in this regard.
I will keep you updated as to the status of the execution of the agreements any updates with regard to the November draw.
Thanks,
Will

From: William Tan
Sent: Thursday, October 12, 2017 9:40 AM
To: Sarah Harris
Subject: Revised email: FHP Status Update
To: Carlos Yep <Carlos.Yep@ofina.on.ca>John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>;
Hello all,
This is to provide an update to the execution to the Existing $975 million Credit Facility and $2 Billion FHP Credit Facility.
As it sits now, FHP related advances are being drawn on the $975 million Credit Facility. Once the agreements are in place the intention is to have IESO draw primarily from the new $2 Billion FHP Credit Facility and reduce the Existing Credit Facility to below $475 million.
This will likely take the form of:
Borrowing Notice for the November draw under the $2 Billion FHP Credit Facility (entire balance).
Election Notice for amount for the November draw to reduce the Existing Credit Facility down to $475 million (if some balance remains in this credit facility).
I understand there is uncertainty how this is administered this in OLMS. I am providing this to all

parties so that they may determine what arrangements are necessary in this regard.
I will keep you updated as to the status of the execution of the agreements any updates with regard to the November draw.
Thanks,
Will

From: William Tan
Sent: Wednesday, October 11, 2017 3:04 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Draft email: FHP Status Update
To: Carlos Yep <Carlos.Yep@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Hello Carlos,
IESO will likely require a total advance of $840 million (outstanding loan + new advance) on October 20. Borrowing/Election Notice to be received on October 18.
Currently, the $2 Billion FHP Credit Facility Agreement has not been executed yet.
Once the $2 Billion FHP Credit Facility Agreement is signed, the November 21 advance can be done in a variety of ways:
Examples:
i. All Amounts mature under the $975 million Existing Credit Facility (reduce the Existing Credit Facility to $475 million).
Advance the entire required balance from the $2 Billion FHP Credit Facility.
Requires: One Borrowing Notice from the $2 Billion FHP Credit Facility.
ii. Portion Enough of the outstanding balance is allowed to mature to fit under the to $475 million Credit Facility.
Advance the matured portion and new advance to the $2 Billion FHP Credit Facility.
Requires: Election Notice $475 million Existing Credit Facility.
Borrowing Notice $2 Billion Credit Facility.

John, please notify Carlos of the preferred method of rolling over/advancement of the amounts (above are suggestions only) and how to structure the transaction on OLMS.
Best regards,

Will Tan| *Documentation & Analysis Specialist*
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From: William Tan
To: Sarah Harris
Subject: FW: Revised email: FHP Status Update
Date: Friday, October 13, 2017 4:21:31 PM

Hi Sarah, I have revised the FHP email. Please review when you have a moment.
To: Carlos Yep <Carlos.Yep@ofina.on.ca>John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>;
Hello All,

This is to provide a status update for the existing $975 million OFA IESO Credit Facility (to be reduced to $475 million) and new $2 Billion FHP Credit Facility agreements. The agreements will be executed immediately after the certain approvals have been made.

Currently, FHP related advances are being drawn on the existing $975 million OFA IESO Credit Facility. Once the agreements are in place, the intention is to have IESO draw primarily from the new $2 Billion FHP Credit Facility and reduce the existing $975 million OFA IESO Credit Facility down to the $475 million.

According to IESO the next draw will occur on October 20, for $840 million (outstanding loan + new advance).

The amount for the subsequent draw on November 21, is currently unknown but is expected to exceed the existing $975 million OFA IESO Credit Facility limit.

Assuming the $2 Billion FHP Credit Facility agreement is signed before November 21, we are considering two options for the November 21 advances (I will be consulting with IESO to determine which option will be chosen):

(1) IESO will submit a borrowing notice for the November draw to be drawn entirely from the $2 Billion FHP Credit Facility.

Or

(2) IESO will submit a borrowing notice to draw a portion from the $2 Billion FHP Credit Facility in combination with an election notice to draw a portion of the remaining outstanding amount to allow for the existing OFA IESO Credit Facility to be reduced to below $475 million.

I understand this transaction is to be administered in OLMS. I am providing this to all parties so that they may determine what arrangements are necessary in this regard.

I will keep you updated as to the status of the execution of the agreements any updates with regard to the November draw.

Thanks,
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Subject: Draft email: FHP Status Update
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Cc: John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>

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Examples:

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   Advance the entire required balance from the $2 Billion FHP Credit Facility.
   Requires: One Borrowing Notice from the $2 Billion FHP Credit Facility.

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   Advance the matured portion and new advance to the $2 Billion FHP Credit Facility.
   Requires: Election Notice $475 million Existing Credit Facility.
   Borrowing Notice $2 Billion Credit Facility.

John, please notify Carlos of the preferred method of rolling over/advancement of the amounts (above are suggestions only) and how to structure the transaction on OLMS.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
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To: Opal Kandelas
Subject: FW: September Election Notice
Date: Wednesday, September 13, 2017 3:02:41 PM

From: Lisa Stein
Sent: Wednesday, September 13, 2017 2:56 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: September Election Notice

We will need to amend the amending agreement again if not executed prior to the notice. However, if amending agreement and FHP credit facility agreement are signed, I assume these numbers will change in any event.

Lisa

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 13, 2017 2:48 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Re: September Election Notice

The estimate provided by ieso settlement staff is 220 million plus the current 404 million.

Notice will be sent on sept 19 for deposit on sept 21.

Regards.

From: William.Tan@ofina.on.ca
Sent: September 13, 2017 10:46 AM
To: Anthony.Martinello@ieso.ca
Cc: Sarah.Harris@ofina.on.ca; Victor.Buza@ieso.ca; Lisa.Stein@ofina.on.ca
Subject: September Election Notice

Hi Anthony,

Sarah brought up the fact that we are expecting September's Election Notice in the next few days. Approximately when do you expect Olga to be sending the Election Notice and approximately for how much?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
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From: Sarah Harris
To: Opal Kandelas
Subject: FW: September Election Notice
Date: Wednesday, September 13, 2017 3:03:10 PM

FYI – next IESO draw

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 13, 2017 2:48 PM
To: William Tan
Cc: Sarah Harris ; Victor Buza ; Lisa Stein
Subject: Re: September Election Notice

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From:	William Tan
To:	Sarah Harris
Subject:	FW: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement
Date:	Friday, November 03, 2017 9:10:26 AM

From: Anna Strathy
Sent: Friday, November 03, 2017 7:41 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
Subject: Re: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hi all,

I spoke to Gadi and he recalled that Ron would be signing the letter. I had forgotten that was what was decided with Energy weeks ago.

Since Ron will be signing the letter, I think it only makes sense for him to sign the other related materials - not to mention that CEFD has done the majority of the work on this file and perhaps there is some satisfaction for all of you in seeing it all done! I know Ron may not be familiar with all of the documents, but perhaps Usman can set aside 15 minutes for a briefing with Ron today once the materials are ready to be signed.

Apologies for the late change in direction. Usman, I'll follow up separately with you on this to bring you up to speed.

Thanks, Anna

--
Anna Strathy
Special Policy Advisor to the CEO
Ontario Financing Authority
416.325.8032

On Nov 2, 2017, at 11:36 AM, Lisa Stein <Lisa.Stein@ofina.on.ca> wrote:

> Agreed
>
> ---
>
> **From:** John Kim
> **Sent:** Thursday, November 02, 2017 11:32 AM
> **To:** Anna Strathy <Anna.Strathy@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
> **Cc:** Lisa Stein <Lisa.Stein@ofina.on.ca>
> **Subject:** RE: Signatories for FHP Credit Facility Agreement and Amending Agreement

No. 10 Credit Facility Agreement

Thanks, makes sense.

From: Anna Strathy
Sent: Thursday, November 02, 2017 11:31 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Gadi's free tomorrow and familiar with this issue. I can ask Gadi to sign.

From: John Kim
Sent: Thursday, November 02, 2017 11:14 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hi William,

Not sure of his availability but know that he is quite jammed. Also, he does not usually deal with credit agreements so wouldn't Gadi be more used to doing so? Ron will go through the whole documents if you put in front of him.

From: William Tan
Sent: Thursday, November 02, 2017 10:11 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hello John,

Mike is away on Friday and according to the OFA Signing authorities Resolution for Lending Instruments, Ronald Kwan and Gadi Mayman are the other two signatories. Do you mind checking on Ronald's availability to sign for the agreements today or tomorrow?
There is a possibility for the agreements to be ready for today but more likely for tomorrow.

Lending Instruments

Agreements for loans by the OFA to public bodies, including term sheets, may be signed by any of the following persons:

Chair;
CEO;
Executive Director, Capital Markets Division, OFA; or,
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
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1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
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From: William Tan
To: Sarah Harris
Subject: FW: Status Update
Date: Tuesday, October 03, 2017 9:35:25 AM

Good morning Sarah,

1. IESO

i. Awaiting Intercept letter agreement and agreements to be signed.
ii. Speak to John on organizing OLMS to accommodate $2B Credit Facility and entering his own loans.
iii. Get update from John Kim on signing of Intercept Letter.
iv. Alfonso Soriano request for information to Anthony Martinello.
v. Update Mike on status of the signing of the Intercept Letter and Plan B if documents are not signed.

2. OLMS report/OILC Loan confirmation improvement – Awaiting reply from Craig to hear about feasibility.
3. Procedure improvement review – Awaiting Ryan to provide sample to the department.
4. Update T-bill procedure manual – pending test of new procedures before I document them.
5. Bond exchange procedures – drafts submitted.

From: Sarah Harris
Sent: Tuesday, October 03, 2017 9:11 AM
To: Andrea Dalgarno ; Dean Hwang ; Jean-Francois Beaupre ; Karin Sze ; Kelly Listoe ; William Tan ; Sab Horvath ; Ryan Blackbyrne
Subject: Status Update

Good morning,
Would you please provide me with an update of you files by 10 a.m.
Thanks,
Sarah

From: William Tan
To: Sarah Harris
Subject: FW: Status Update
Date: Tuesday, September 26, 2017 9:52:21 AM

Good morning Sarah,

1. DMTN Wrap-up.
2. FX Periodic Review – In addition to review, Dean requested that I go back to review two previous reviews and provide analysis.
3. IESO – Awaiting Intercept letter agreement and agreements to be signed.
4. OLMS report/OILC Loan confirmation improvement – Awaiting reply from Craig to hear about feasibility.
5. Procedure improvement review – Awaiting Ryan to provide sample to the department.
6. Update T-bill procedure manual – pending test of new procedures before I document them.
7. Bond exchange procedures – drafts submitted.

Last 24 hours.
Admin day yesterday.
Processed invoices and updated MOF LSB on f/x equivalents.
Replied to two o/s debt borrowing authority updates.
Prepared files for new OILC loans.
Faxed f/x confirms.
Ordered planner.

From: Sarah Harris
Sent: Tuesday, September 26, 2017 9:04 AM
To: Andrea Dalgarno ; Dean Hwang ; Karin Sze ; Kelly Listoe ; William Tan
Subject: Status Update

Good morning,
Would you please send me your status updates on your files by 10 a.m.
Thanks,
Sarah

From: William Tan
To: Sarah Harris
Subject: FW: Status Update
Date: Tuesday, September 12, 2017 8:29:19 AM

Good morning Sarah,

1. IESO

FHP Credit facility agreement – Awaiting for IESO to confirm small changes.

AA10 – Awaiting for IESO to confirm small changes.

Ministerial Directive – OEFC still working on this. I will check-in with John today.

2. OILC large volume last week.

3. OLMS report/OILC Loan confirmation improvement.

4. Update T-bill procedure manual – pending test of new procedures before I document them.

5. Bond exchange procedures – drafts submitted.

Thanks,

From: Sarah Harris
Sent: Monday, September 11, 2017 2:44 PM
To: Andrea Dalgarno ; Dean Hwang ; Jean-Francois Beaupre ; Karin Sze ; Kelly Listoe ; Ryan Blackbyrne ; Sab Horvath ; William Tan
Subject: Status Update

Hello,

Would you please provide me with a status update on your projects by tomorrow morning, 9:30 a.m.

Thank you.

Sarah

From: William Tan
To: Sarah Harris
Subject: FW: Status Update
Date: Tuesday, October 31, 2017 10:41:12 AM

Good morning Sarah,

1. IESO

i. Another round of updates to the agreements.

ii. Pending, remind Cash, Accounting, Settlements and Carlos the rollover .

2. OILC Loans 340 to 349 and 352 signatures due November 1. I will ask OILC again for the signatures.
3. FX Confirmation review – Review ISDA Section 6 to confirm if all banks are performing spot confirmations according to the agreement.
4. OLMS report/OILC Loan confirmation improvement – Awaiting reply from Craig to hear about feasibility. I haven't heard from Craig. I will get a status update from Craig today.
5. Procedure improvement review – Awaiting Ryan to provide revised sample procedure to the department.
6. Update T-bill procedure manual – pending test of new procedures before I document them.
7. Bond exchange procedures – drafts submitted.

From: Andrea Dalgarno
Sent: Tuesday, October 31, 2017 10:34 AM
To: William Tan
Cc: Sarah Harris
Subject: FW: Status Update

Seems like Sarah forgot you-whoops

From: Sarah Harris
Sent: Tuesday, October 31, 2017 9:22 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>; Dean Hwang <Dean.Hwang@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Karin Sze <Karin.Sze@ofina.on.ca>; Ryan Blackbyrne <Ryan.Blackbyrne@ofina.on.ca>; Sab Horvath <Sab.Horvath@ofina.on.ca>
Subject: Status Update

Good morning,

Could you please send me your status update by 10 a.m.

Thanks,

Sarah

From: William Tan
To: Sarah Harris
Subject: FW: Status updates
Date: Tuesday, September 19, 2017 9:33:47 AM

Good morning Sarah,

1. IESO

Ministerial Directive – OEFC still working on this. I will check-in with John today.

2. OILC large volume last week.

3. OLMS report/OILC Loan confirmation improvement.

4. Update T-bill procedure manual – pending test of new procedures before I document them.

5. Bond exchange procedures – drafts submitted.

Last 24 hours.

Admin day yesterday.

Processed invoices and updated MOF LSB on f/x equivalents.

Replied to two o/s debt borrowing authority updates.

Prepared files for new OILC loans.

Faxed f/x confirms.

Ordered planner.

From: Sarah Harris
Sent: Tuesday, September 19, 2017 8:42 AM
To: Andrea Dalgarno ; Dean Hwang ; Jean-Francois Beaupre ; Karin Sze ; Kelly Listoe ; Ryan Blackbyrne ; Sab Horvath ; William Tan
Subject: Status updates

Good morning,

Would you please send me a brief status update on your files by 9:45 a.m.

Thanks,

Sarah

From:	William Tan
To:	"Victor Buza"; Anthony Martinello
Cc:	Sarah Harris; Lisa Stein
Subject:	FW: Touch Base
Date:	Monday, September 11, 2017 3:24:48 PM
Attachments:	FHP credit facility agreement Sept 8 OFA.docx FHP credit facility agreement Sept 8 OFA (clean and blackline copy).docx

---

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris
Cc: William Tan ; Lisa Stein ; Anthony Martinello
Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2~~1~~. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such A~~a~~dvances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

Commented [WT1]: Amended as per previous comment.

Commented [WT2]: Amended as per previous comment.

Commented [WT3]: Comment amended as per email.

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

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~~By:~~

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Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

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REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

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REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

Commented [VB1]: NOTE - I bolded the 3 defined terms

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

Commented [VB2]: Grammar corrected

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Commented [VB3]: grammar requires correction

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Commented [VB4]: Made consistent with the language in Amending Agreement #10 and standard practice

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance~~. [Either end sentence after "Advance" and delete remainder, OR keep the remainder but insert the words: "~~ which shall in any case be~~]~~ in accordance with Section 2.2~~]~~. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) ~~the outstanding principal amount of the Grid Note~~. Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such ~~advances~~Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

Commented [VB5]: IESO is not actually certifying in accordance with the language in s.2.2, so this should be fixed in accordance with one of the options in order to be accurate.

Commented [WT6]: Amended as per previous comment.

Commented [VB7]: This appears to be the same as the definition of "Advances Outstanding" so ordinarily should use the defined term - see also item (v) of Grid Note. If this is different than the defined term, let us know.

Commented [WT8]: Amended as per previous comment.

Commented [WT9]: Comment amended as per email.

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of

Commented [VB10]: This is a defined term

interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Commented [VB11]: Defined term

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Capital Markets Division

I have authority to bind the corporation.

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

_____

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Commented [VB12]: Per the terms of our Board Resolution, IESO's CFO is authorized to sign all agreements, instruments and ancillary documents - no second signature line required here

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Per: _____

Name:

Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	"Victor Buza"; Anthony Martinello
Cc:	Sarah Harris; Lisa Stein
Subject:	FW: Touch Base
Date:	Monday, September 11, 2017 3:24:48 PM
Attachments:	FHP credit facility agreement Sept 8 OFA.docx FHP credit facility agreement Sept 8 OFA (clean and blackline copy).docx

---

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris
Cc: William Tan ; Lisa Stein ; Anthony Martinello
Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2~~1~~. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such A~~a~~dvances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

Commented [WT1]: Amended as per previous comment.

Commented [WT2]: Amended as per previous comment.

Commented [WT3]: Comment amended as per email.

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

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~~By:~~

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Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Revolving Credit Facility Grid Note

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

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REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

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REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

Commented [VB1]: NOTE - I bolded the 3 defined terms

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

Commented [VB2]: Grammar corrected

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Commented [VB3]: grammar requires correction

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Commented [VB4]: Made consistent with the language in Amending Agreement #10 and standard practice

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance~~. [Either end sentence after "Advance" and delete remainder, OR keep the remainder but insert the words: "~~ which shall in any case be~~]~~ in accordance with Section 2.2~~]~~. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) ~~the outstanding principal amount of the Grid Note~~. Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such ~~advances~~Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

Commented [VB5]: IESO is not actually certifying in accordance with the language in s.2.2, so this should be fixed in accordance with one of the options in order to be accurate.

Commented [WT6]: Amended as per previous comment.

Commented [VB7]: This appears to be the same as the definition of "Advances Outstanding" so ordinarily should use the defined term - see also item (v) of Grid Note. If this is different than the defined term, let us know.

Commented [WT8]: Amended as per previous comment.

Commented [WT9]: Comment amended as per email.

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of

Commented [VB10]: This is a defined term

interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Commented [VB11]: Defined term

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Capital Markets Division

I have authority to bind the corporation.

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

_____

Formatted: Font: Not Bold

Commented [VB12]: Per the terms of our Board Resolution, IESO's CFO is authorized to sign all agreements, instruments and ancillary documents - no second signature line required here

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Per: _____

Name:

Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: William Tan
To: Sarah Harris
Subject: FW: Up-to-Date Grid Note for IESO Existing Credit Facility
Date: Friday, September 29, 2017 11:35:30 AM

Hi Risa,

Sarah returns Tuesday, October 3. It should be fine to wait for her return to discuss.

Thanks,

Will

From: Risa Thau
Sent: Friday, September 29, 2017 9:43 AM
To: William Tan <William.Tan@ofina.on.ca>
Subject: RE: Up-to-Date Grid Note for IESO Existing Credit Facility

Hi Will,

I'm working from home again, today. I looked at the two agreements. I'm not a lawyer or from your area, but based on the new agreement between IESO and the OFA, they can only borrow under that agreement under the *Ontario Fair Hydro Plan Act, 2017*, therefore I don't think we can do what you were suggesting on October 21st. They couldn't roll the two advances they have outstanding under this new agreement. I think we should wait until Sarah returns to discuss this more fully.

Thanks,

Risa Thau

From: William Tan
Sent: Thursday, September 28, 2017 4:32 PM
To: Risa Thau <Risa.Thau@ofina.on.ca>
Subject: FW: Up-to-Date Grid Note for IESO Existing Credit Facility

Hello Risa,

As per discussion, please find the attached Amending Agreement No. 10 and FHP Credit Facility Agreement.

Thanks,

Will

From: William Tan
Sent: Wednesday, September 27, 2017 7:41 PM
To: Risa Thau <Risa.Thau@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Up-to-Date Grid Note for IESO Existing Credit Facility

Hello Risa,

We are expecting IESO to sign the amendment to the Existing Credit Facility and the new FHP Credit Facility. We would require an up-to-date Grid Note to be included with the Amending Agreement. I anticipate that we would need a copy as early as late Thursday (unlikely) to as late as Tuesday of next week. I thought it best to provide you with some notice ahead of time. I am happy to discuss if you have any questions.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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To:	Sarah Harris
Subject:	FW: Up-to-Date Grid Note for IESO Existing Credit Facility
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To: William Tan

Subject: RE: Up-to-Date Grid Note for IESO Existing Credit Facility

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Sent: Thursday, September 28, 2017 4:32 PM

To: Risa Thau <Risa.Thau@ofina.on.ca>

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Sent: Wednesday, September 27, 2017 7:41 PM

To: Risa Thau <Risa.Thau@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>

Subject: Up-to-Date Grid Note for IESO Existing Credit Facility

Hello Risa,

We are expecting IESO to sign the amendment to the Existing Credit Facility and the new FHP Credit Facility. We would require an up-to-date Grid Note to be included with the Amending Agreement. I anticipate that we would need a copy as early as late Thursday (unlikely) to as late as Tuesday of next week. I thought it best to provide you with some notice ahead of time. I am happy to discuss if you have any questions.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400

Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca
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From: Sarah Harris
To: Opal Kandelas
Subject: FW: directive
Date: Friday, September 08, 2017 12:22:37 PM

Hi Opal,
Just letting you know for IESO, the directive has not yet been signed by the Minister. I'm trying to get information from Electricity Finance, and I expect that they are at the mercy of the MO, but I have no current update. I'm not sure if Gadi is aware of the situation (or if John Kim has involved Gadi), but if Gadi has any influence, it may be helpful if he could put in a word.
Sarah

From: Sarah Harris
Sent: Friday, September 08, 2017 12:07 PM
To: Shajee Kathirgamanathan
Subject: FW: directive
Hi Shajee,
Not sure if John is around…was wondering if you've heard anything on the status of the directive? Anthony expressed that he hoped to have the agreement signed today (he's calling Moody's), but either way I'm hoping to let him know where we are…
Thanks,
Sarah

From: Sarah Harris
Sent: Friday, September 08, 2017 9:21 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: directive
Hi John,
I was sick yesterday and Will is sick today. Just touching base to see if there is any news on the directive? I'm going to be contacting Anthony, so if there is any update I can provide to him, that would be helpful.
Thanks,
Sarah

From: Sarah Harris
To: Shajee Kathirgamanathan
Subject: FW: directive
Date: Friday, September 08, 2017 12:07:28 PM

Hi Shajee,
Not sure if John is around…was wondering if you've heard anything on the status of the directive? Anthony expressed that he hoped to have the agreement signed today (he's calling Moody's), but either way I'm hoping to let him know where we are…
Thanks,
Sarah

From: Sarah Harris
Sent: Friday, September 08, 2017 9:21 AM
To: John Kim
Subject: directive
Hi John,
I was sick yesterday and Will is sick today. Just touching base to see if there is any news on the directive? I'm going to be contacting Anthony, so if there is any update I can provide to him, that would be helpful.
Thanks,
Sarah

From: Sarah Harris
To: Opal Kandelas
Subject: FW: directive
Date: Friday, September 08, 2017 12:59:19 PM

FYI

From: John Kim
Sent: Friday, September 08, 2017 12:58 PM
To: Sarah Harris
Subject: RE: directive

Hi Sarah,

Sorry, I got sidetracked while responding to you earlier. No, we don't have a response yet but Ron is escalating to MO directly. Will keep you posted.

My suggestion is to say it is in the works.

John

From: Sarah Harris
Sent: Friday, September 08, 2017 9:21 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: directive

Hi John,

I was sick yesterday and Will is sick today. Just touching base to see if there is any news on the directive? I'm going to be contacting Anthony, so if there is any update I can provide to him, that would be helpful.

Thanks,

Sarah

From:	William Tan
To:	Jean-Francois Beaupre
Cc:	Sarah Harris
Subject:	FW: fhp credit facility agreement execution version v3 blackline.docx
Date:	Monday, October 23, 2017 1:21:23 PM

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fyi

From: Lisa Stein
Sent: Monday, October 23, 2017 10:31 AM
To: John Kim ; William Tan ; Sarah Harris
Cc: Sarah Neville
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi John,

In general, the purpose is to clarify that the Agreement and its Schedules take precedence over any discussions or undertakings that may have occurred between the parties prior to the execution of the agreement. In other words, the OFA may not agree to amend the agreement, for example, to change the permitted liens or remove the intercept provisions, on the basis of previous discussions or e-mails with the IESO.

The clause, which is generally boiler plate in an agreement, states as follows:

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreements, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Thanks,

Lisa

From: John Kim
Sent: Monday, October 23, 2017 10:23 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi Lisa,

Could you remind me what the purpose of the “entire agreement” clause is?

Thanks,

John

From: Lisa Stein
Sent: Monday, October 23, 2017 10:19 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: fhp credit facility agreement execution version v3 blackline.docx

Hi Will,

Please find attached a revised black-lined version of the FHP credit facility agreement. The only change from the last version is the addition of an “entire agreement” clause in section 7.8, as discussed at our internal meeting last week. Please send this amendment to the IESO (and re-format the accompanying draft clean execution version as necessary).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From:	Sarah Harris
To:	William Tan
Subject:	FW: fhp credit facility agreement execution version v3 blackline.docx
Date:	Thursday, October 05, 2017 1:29:37 PM
Attachments:	fhp credit facility agreement execution version v3 blackline.docx

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Hi Will,

I have not comments. If you you're okay with it, please let Lisa know we're fine.

Thanks,

Sarah

From: Lisa Stein

Sent: Thursday, October 05, 2017 12:28 PM

To: Sarah Harris ; William Tan

Subject: fhp credit facility agreement execution version v3 blackline.docx

Revised black-lined draft with change to "Permitted Liens" definition, as discussed.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.~~any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean~~

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~~Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP~~.

"**Person**" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"**Purchase Money Mortgage**" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"**Repayment Date**" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"**Stated Maturity**" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

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cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Sarah Harris
To:	William Tan
Subject:	FW: fhp credit facility agreement execution version v3 blackline.docx
Date:	Thursday, October 05, 2017 1:29:37 PM
Attachments:	fhp credit facility agreement execution version v3 blackline.docx

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Hi Will,

I have not comments. If you you're okay with it, please let Lisa know we're fine.

Thanks,

Sarah

From: Lisa Stein

Sent: Thursday, October 05, 2017 12:28 PM

To: Sarah Harris ; William Tan

Subject: fhp credit facility agreement execution version v3 blackline.docx

Revised black-lined draft with change to "Permitted Liens" definition, as discussed.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.~~any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean~~

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~~Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP~~.

"**Person**" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"**Purchase Money Mortgage**" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"**Repayment Date**" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"**Stated Maturity**" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

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cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Jean-Francois Beaupre
Cc:	Sarah Harris
Subject:	FW: fhp credit facility agreement execution version v3 blackline.docx
Date:	Monday, October 23, 2017 1:21:23 PM

---

fyi

From: Lisa Stein
Sent: Monday, October 23, 2017 10:31 AM
To: John Kim ; William Tan ; Sarah Harris
Cc: Sarah Neville
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi John,

In general, the purpose is to clarify that the Agreement and its Schedules take precedence over any discussions or undertakings that may have occurred between the parties prior to the execution of the agreement. In other words, the OFA may not agree to amend the agreement, for example, to change the permitted liens or remove the intercept provisions, on the basis of previous discussions or e-mails with the IESO.

The clause, which is generally boiler plate in an agreement, states as follows:

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreements, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Thanks,

Lisa

From: John Kim
Sent: Monday, October 23, 2017 10:23 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi Lisa,

Could you remind me what the purpose of the “entire agreement” clause is?

Thanks,

John

From: Lisa Stein
Sent: Monday, October 23, 2017 10:19 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: fhp credit facility agreement execution version v3 blackline.docx

Hi Will,

Please find attached a revised black-lined version of the FHP credit facility agreement. The only change from the last version is the addition of an “entire agreement” clause in section 7.8, as discussed at our internal meeting last week. Please send this amendment to the IESO (and re-format the accompanying draft clean execution version as necessary).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

To:	Lisa Stein
Subject:	FW: new condition
Date:	Friday, November 03, 2017 9:32:17 AM
Attachments:	FW Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement .msg

---

Hi Lisa,

Unless you think the agreement needs any more tweaking, I'm fine with your changes.

From: Lisa Stein

Sent: Thursday, November 02, 2017 5:08 PM

To: Sarah Harris

Subject: new condition

Please see (b)(iii). We can discuss further tomorrow.

For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date, being:

i. the First Advance as defined under section 3.2(3) of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 3, 2017; and,

ii. the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date; and,

iii. the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,

iv. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

From: William Tan []
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
Subject: FW: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement
Date: Friday, November 03, 2017 09:10:25
Attachment 1: image001.jpg
Attachment 2: image001.jpg

From: Anna Strathy
Sent: Friday, November 03, 2017 7:41 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
Subject: Re: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hi all,

I spoke to Gadi and he recalled that Ron would be signing the letter. I had forgotten that was what was decided with Energy weeks ago.

Since Ron will be signing the letter, I think it only makes sense for him to sign the other related materials - not to mention that CEFD has done the majority of the work on this file and perhaps there is some satisfaction for all of you in seeing it all done! I know Ron may not be familiar with all of the documents, but perhaps Usman can set aside 15 minutes for a briefing with Ron today once the materials are ready to be signed.

Apologies for the late change in direction. Usman, I'll follow up separately with you on this to bring you up to speed.

Thanks, Anna

--
Anna Strathy
Special Policy Advisor to the CEO
Ontario Financing Authority
416.325.8032

On Nov 2, 2017, at 11:36 AM, Lisa Stein <Lisa.Stein@ofina.on.ca> wrote:

Agreed

From: John Kim
Sent: Thursday, November 02, 2017 11:32 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>

Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Thanks, makes sense.

From: Anna Strathy
Sent: Thursday, November 02, 2017 11:31 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Gadi's free tomorrow and familiar with this issue. I can ask Gadi to sign.

From: John Kim
Sent: Thursday, November 02, 2017 11:14 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hi William,

Not sure of his availability but know that he is quite jammed. Also, he does not usually deal with credit agreements so wouldn't Gadi be more used to doing so? Ron will go through the whole documents if you put in front of him.

From: William Tan
Sent: Thursday, November 02, 2017 10:11 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hello John,

Mike is away on Friday and according to the OFA Signing authorities Resolution for Lending Instruments, Ronald Kwan and Gadi Mayman are the other two signatories. Do you mind checking on Ronald's availability to sign for the agreements today or tomorrow?
There is a possibility for the agreements to be ready for today but more likely for tomorrow.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400

Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Lending Instruments

Agreements for loans by the OFA to public bodies, including term sheets, may be signed by any of the following persons:

Chair;
CEO;
Executive Director, Capital Markets Division, OFA; or,
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

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From: William Tan []
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
Subject: FW: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement
Date: Friday, November 03, 2017 09:10:25
Attachment 1: image001.jpg
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Apologies for the late change in direction. Usman, I'll follow up separately with you on this to bring you up to speed.

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Ontario Financing Authority
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Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Thanks, makes sense.

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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
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To:	Lisa Stein
Subject:	FW: new condition
Date:	Friday, November 03, 2017 9:32:17 AM
Attachments:	FW Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement .msg

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Sent: Thursday, November 02, 2017 11:32 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>

Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Thanks, makes sense.

From: Anna Strathy
Sent: Thursday, November 02, 2017 11:31 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Gadi's free tomorrow and familiar with this issue. I can ask Gadi to sign.

From: John Kim
Sent: Thursday, November 02, 2017 11:14 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hi William,

Not sure of his availability but know that he is quite jammed. Also, he does not usually deal with credit agreements so wouldn't Gadi be more used to doing so? Ron will go through the whole documents if you put in front of him.

From: William Tan
Sent: Thursday, November 02, 2017 10:11 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hello John,

Mike is away on Friday and according to the OFA Signing authorities Resolution for Lending Instruments, Ronald Kwan and Gadi Mayman are the other two signatories. Do you mind checking on Ronald's availability to sign for the agreements today or tomorrow?
There is a possibility for the agreements to be ready for today but more likely for tomorrow.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400

Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Lending Instruments

Agreements for loans by the OFA to public bodies, including term sheets, may be signed by any of the following persons:

Chair;
CEO;
Executive Director, Capital Markets Division, OFA; or,
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

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CEO;
Executive Director, Capital Markets Division, OFA; or,
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

From: William Tan []
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
Subject: FW: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement
Date: Friday, November 03, 2017 09:10:25
Attachment 1: image001.jpg
Attachment 2: image001.jpg

From: Anna Strathy
Sent: Friday, November 03, 2017 7:41 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
Subject: Re: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hi all,

I spoke to Gadi and he recalled that Ron would be signing the letter. I had forgotten that was what was decided with Energy weeks ago.

Since Ron will be signing the letter, I think it only makes sense for him to sign the other related materials - not to mention that CEFD has done the majority of the work on this file and perhaps there is some satisfaction for all of you in seeing it all done! I know Ron may not be familiar with all of the documents, but perhaps Usman can set aside 15 minutes for a briefing with Ron today once the materials are ready to be signed.

Apologies for the late change in direction. Usman, I'll follow up separately with you on this to bring you up to speed.

Thanks, Anna

--
Anna Strathy
Special Policy Advisor to the CEO
Ontario Financing Authority
416.325.8032

On Nov 2, 2017, at 11:36 AM, Lisa Stein <Lisa.Stein@ofina.on.ca> wrote:

Agreed

From: John Kim
Sent: Thursday, November 02, 2017 11:32 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>

Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

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Sent: Thursday, November 02, 2017 11:31 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
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Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

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Sent: Thursday, November 02, 2017 10:11 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

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william.tan@ofina.on.ca

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Chair;
CEO;
Executive Director, Capital Markets Division, OFA; or,
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

From: William Tan
To: Sarah Harris
Subject: Final Docs for FHP Credit Agreement and AA#10
Date: Thursday, September 14, 2017 1:38:55 PM

Hi Sarah,
Fyi
No sign-off required from Lisa. Changes were not substantive. Please see below.
[9/14/2017 11:16 AM] William Tan:
Hi Lisa, Sarah and I have reviewed executed versions and have no comments except for the phone and email contacts we discussed. I will send IESO a second version of the documents. Do you need sign off on anything before i send them the second version?
the only thing i changed was the email and fax numbers.
[9/14/2017 11:28 AM] Lisa Stein:
No this is not substantive no sign off required
We saved this conversation. You'll see it soon in the Conversations tab in Lync and in the Conversation History folder in Outlook.
[9/14/2017 11:32 AM] William Tan:
Thanks Lisa.
We saved this conversation. You'll see it soon in the Conversations tab in Lync and in the Conversation History folder in Outlook.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan
Cc: Sarah Harris ; Lisa Stein ; Anthony Martinello
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.
4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.
Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are

signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From:	Victor Buza
To:	William Tan
Cc:	Sarah Harris; Lisa Stein; Anthony Martinello
Subject:	Final Docs for FHP Credit Agreement and AA#10
Date:	Tuesday, September 12, 2017 3:58:47 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version.docx OFA IESO Amending Agreement No 10 - Execution Version.pdf IESO GRID NOTE - $475MM - Execution Version.docx IESO GRID NOTE - $475MM - Execution Version.pdf FHP credit facility agreement - Execution Version.docx FHP credit facility agreement - Execution Version.pdf IESO GRID NOTE - FHP - Execution Version.docx IESO GRID NOTE - FHP - Execution Version.pdf IESO Board Res"n Approval of Credit Facilities June 14 17 Certified Redacted.pdf Incumbency Certificate - re OFA FHP & AA#10 - Execution Version.pdf

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of “Advances” in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   “**Advances**” means advances made by the OFA to the IESO under Article 3 and “Advance” means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a “Continued Advance”, as defined in Section 3.3(1), as applicable.”

2. The definition of “Commitment” in Section 1.1 of the Credit Agreement is amended by deleting “$975,000,000” and substituting “$475,000,000” therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   “**Continued Advance”** has the meaning specified in Section 3.3(1).

   “**Current Repayment Date**” has the meaning specified in Section 3.3(2).

   “**New Repayment Date**” has the meaning specified in Section 3.3(2).

4. Section 2.3 “Use of Proceeds” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes.”

5. Section 3.2 “Procedures for Advances” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days’ prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **“Grid Note”)**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

   (2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

   (3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

   (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

   (5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

   (2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

   (3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

   (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

   (5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September___, 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September___, 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

" Resolution of the Board of Directors
Independent Electricity System Operator

June 14, 2017

In Respect of the establishment of a new credit facility and revision of existing credit facilities in relation to the Fair Hydro Plan

---

WHEREAS, as further described in the memorandum to the Audit Committee entitled "Fair Hydro Plan Credit Facility" dated June 13, 2017 (the "**Memorandum**"), the Corporation has determined that in order to support the IESO's role in the Fair Hydro Plan it requires greater credit liquidity;

AND WHEREAS the Corporation proposes to enter into a new credit facility with the Ontario Financing Authority or Ontario Electricity Financial Corporation to support the Corporation's role in the Fair Hydro Plan in an amount yet to be determined of between $1,800 million and $2,500 million (the "**New Facility**");

AND WHEREAS, due to the structure of the Fair Hydro Plan, once the New Facility is established, the Corporation's existing credit facility with the Ontario Financing Authority in the amount of $975 million (the "**OFA Facility**") will include unnecessary and duplicative credit liquidity such that the OFA Facility may be reduced to an amount yet to be determined between $400 million and $500 million;

AND WHEREAS …**[Recital redacted]…**

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board of Directors hereby authorizes and approves the establishment of the New Facility and the amendment of the OFA Facility …**[Redacted]**… on such terms and conditions as are generally outlined in the Memorandum (collectively, all facilities being the "**Credit Facilities**").

2. The Chief Financial Officer or her delegate is hereby authorized for and on behalf of the Corporation to:

(a) finalize, execute and deliver

(i) all relevant agreements, instruments and other documents required for the establishment or amendment, as applicable, of the Credit Facilities, and

(ii) all ancillary documents, deeds and instruments determined to be necessary or desirable in connection therewith (the execution of any such document, deed or instrument being conclusive evidence of such determination),

and to perform the Corporation's obligations thereunder, and to obtain the benefits thereof;

(b) draw upon or continue to draw upon, as applicable, the Credit Facilities from time to time in accordance with their terms; and

(c) do any and all such further acts as may be determined to be necessary or desirable to give effect to the foregoing transactions including, for further certainty, amending any other agreements as may be required as a consequence of such transactions. "

I certify that the above is a true, redacted copy of a resolution approved by the Board of Directors of the Independent Electricity System Operator on June 14, 2017.

John Rattray

General Counsel, Secretary and Chief Reliability Compliance Officer
Independent Electricity System Operator
September _____, 2017

INCUMBENCY CERTIFICATE

To: Ontario Financing Authority ("**OFA**")

I, the undersigned, Secretary to the Independent Electricity System Operator (the "**IESO**"), in my capacity as an officer of the IESO, and not in my personal capacity, do hereby certify that:

1. Kimberly Marshall has been duly appointed as Vice President, Corporate Services; Chief Financial Officer and Treasurer of the IESO and holds, as at the date hereof, such offices.

2. Pursuant to a resolution of the board of directors of IESO dated June 14, 2017, Kimberly Marshall has the authority to finalize, execute and deliver: (i) Amending Agreement No. 10 to the Credit Agreement between OFA and IESO (as successor by amalgamation to Ontario Power Authority) made as of January 1, 2005, as amended; and (ii) the Revolving Credit Facility Agreement between IESO and the Ontario Financing Authority made in relation to the Fair Hydro Plan.

3. The following is the genuine signature of the following individual:

Kimberly Marshall _____

DATED this ____ day of September, 2017.

_____
John Rattray
General Counsel, Secretary and Chief
Reliability Compliance Officer

I, the undersigned, do hereby certify for and on behalf of the IESO in my capacity as an officer of the IESO, and not in my personal capacity, that: (i) John Rattray has been duly appointed to the office of General Counsel, Secretary and Chief Reliability Compliance Officer and (ii) John Rattray holds, as at the date hereof, such office.

DATED this ____ day of September, 2017.

_____
Kimberly Marshall
Vice President, Corporate Services; Chief
Financial Officer and Treasurer

From:	Victor Buza
To:	William Tan
Cc:	Sarah Harris; Lisa Stein; Anthony Martinello
Subject:	Final Docs for FHP Credit Agreement and AA#10
Date:	Tuesday, September 12, 2017 3:58:47 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version.docx OFA IESO Amending Agreement No 10 - Execution Version.pdf IESO GRID NOTE - $475MM - Execution Version.docx IESO GRID NOTE - $475MM - Execution Version.pdf FHP credit facility agreement - Execution Version.docx FHP credit facility agreement - Execution Version.pdf IESO GRID NOTE - FHP - Execution Version.docx IESO GRID NOTE - FHP - Execution Version.pdf IESO Board Res"n Approval of Credit Facilities June 14 17 Certified Redacted.pdf Incumbency Certificate - re OFA FHP & AA#10 - Execution Version.pdf

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Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.
4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello

Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of “Advances” in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   “**Advances**” means advances made by the OFA to the IESO under Article 3 and “Advance” means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a “Continued Advance”, as defined in Section 3.3(1), as applicable.”

2. The definition of “Commitment” in Section 1.1 of the Credit Agreement is amended by deleting “$975,000,000” and substituting “$475,000,000” therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   “**Continued Advance”** has the meaning specified in Section 3.3(1).

   “**Current Repayment Date**” has the meaning specified in Section 3.3(2).

   “**New Repayment Date**” has the meaning specified in Section 3.3(2).

4. Section 2.3 “Use of Proceeds” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes.”

5. Section 3.2 “Procedures for Advances” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days’ prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **“Grid Note”)**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

   (2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

   (3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

   (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

   (5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

   (2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

   (3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

   (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

   (5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September___, 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September___, 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

" Resolution of the Board of Directors
Independent Electricity System Operator

June 14, 2017

In Respect of the establishment of a new credit facility and revision of existing credit facilities in relation to the Fair Hydro Plan

---

WHEREAS, as further described in the memorandum to the Audit Committee entitled "Fair Hydro Plan Credit Facility" dated June 13, 2017 (the "**Memorandum**"), the Corporation has determined that in order to support the IESO's role in the Fair Hydro Plan it requires greater credit liquidity;

AND WHEREAS the Corporation proposes to enter into a new credit facility with the Ontario Financing Authority or Ontario Electricity Financial Corporation to support the Corporation's role in the Fair Hydro Plan in an amount yet to be determined of between $1,800 million and $2,500 million (the "**New Facility**");

AND WHEREAS, due to the structure of the Fair Hydro Plan, once the New Facility is established, the Corporation's existing credit facility with the Ontario Financing Authority in the amount of $975 million (the "**OFA Facility**") will include unnecessary and duplicative credit liquidity such that the OFA Facility may be reduced to an amount yet to be determined between $400 million and $500 million;

AND WHEREAS …**[Recital redacted]…**

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board of Directors hereby authorizes and approves the establishment of the New Facility and the amendment of the OFA Facility …**[Redacted]**… on such terms and conditions as are generally outlined in the Memorandum (collectively, all facilities being the "**Credit Facilities**").

2. The Chief Financial Officer or her delegate is hereby authorized for and on behalf of the Corporation to:

(a) finalize, execute and deliver

(i) all relevant agreements, instruments and other documents required for the establishment or amendment, as applicable, of the Credit Facilities, and

(ii) all ancillary documents, deeds and instruments determined to be necessary or desirable in connection therewith (the execution of any such document, deed or instrument being conclusive evidence of such determination),

and to perform the Corporation's obligations thereunder, and to obtain the benefits thereof;

(b) draw upon or continue to draw upon, as applicable, the Credit Facilities from time to time in accordance with their terms; and

(c) do any and all such further acts as may be determined to be necessary or desirable to give effect to the foregoing transactions including, for further certainty, amending any other agreements as may be required as a consequence of such transactions. "

I certify that the above is a true, redacted copy of a resolution approved by the Board of Directors of the Independent Electricity System Operator on June 14, 2017.

John Rattray

General Counsel, Secretary and Chief Reliability Compliance Officer
Independent Electricity System Operator
September _____, 2017

INCUMBENCY CERTIFICATE

To: Ontario Financing Authority ("**OFA**")

I, the undersigned, Secretary to the Independent Electricity System Operator (the "**IESO**"), in my capacity as an officer of the IESO, and not in my personal capacity, do hereby certify that:

1. Kimberly Marshall has been duly appointed as Vice President, Corporate Services; Chief Financial Officer and Treasurer of the IESO and holds, as at the date hereof, such offices.

2. Pursuant to a resolution of the board of directors of IESO dated June 14, 2017, Kimberly Marshall has the authority to finalize, execute and deliver: (i) Amending Agreement No. 10 to the Credit Agreement between OFA and IESO (as successor by amalgamation to Ontario Power Authority) made as of January 1, 2005, as amended; and (ii) the Revolving Credit Facility Agreement between IESO and the Ontario Financing Authority made in relation to the Fair Hydro Plan.

3. The following is the genuine signature of the following individual:

Kimberly Marshall _____

DATED this ____ day of September, 2017.

_____
John Rattray
General Counsel, Secretary and Chief
Reliability Compliance Officer

I, the undersigned, do hereby certify for and on behalf of the IESO in my capacity as an officer of the IESO, and not in my personal capacity, that: (i) John Rattray has been duly appointed to the office of General Counsel, Secretary and Chief Reliability Compliance Officer and (ii) John Rattray holds, as at the date hereof, such office.

DATED this ____ day of September, 2017.

_____
Kimberly Marshall
Vice President, Corporate Services; Chief
Financial Officer and Treasurer

From: William Tan
To: Sarah Harris
Subject: Final Docs for FHP Credit Agreement and AA#10
Date: Thursday, September 14, 2017 1:38:55 PM

Hi Sarah,
Fyi
No sign-off required from Lisa. Changes were not substantive. Please see below.
[9/14/2017 11:16 AM] William Tan:
Hi Lisa, Sarah and I have reviewed executed versions and have no comments except for the phone and email contacts we discussed. I will send IESO a second version of the documents. Do you need sign off on anything before i send them the second version?
the only thing i changed was the email and fax numbers.
[9/14/2017 11:28 AM] Lisa Stein:
No this is not substantive no sign off required
We saved this conversation. You'll see it soon in the Conversations tab in Lync and in the Conversation History folder in Outlook.
[9/14/2017 11:32 AM] William Tan:
Thanks Lisa.
We saved this conversation. You'll see it soon in the Conversations tab in Lync and in the Conversation History folder in Outlook.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan
Cc: Sarah Harris ; Lisa Stein ; Anthony Martinello
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.
4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.
Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are

signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From: Hanslep, Malle (MOF)
To: Sarah Harris
Subject: Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt
Date: Thursday, October 26, 2017 6:48:13 PM
Attachments: 46490618_1.doc

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
Sent: Thursday, October 26, 2017 18:47
To: Kandeepan, Ken (OFA); Manning, Mike (OFA); Mayman, Gadi (OFA); Yep, Carlos (OFA); Kwan, Ronald (OFA); Devine, James (OFA); Kim, John (OFA); Strathy, Anna (OFA); Katona, Keley (MOF); John Psinas; Nelms, Scott (MOF); Montgomery, Kaitlin (MOF); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
Cc: Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG)
Subject: Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt

I might not have covered everyone with this email

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Saulnier, Brett <bsaulnier@torys.com>
Sent: Thursday, October 26, 2017 18:36
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
Cc: 'leslie.wong@opg.com'; dup-john.s.lee@opg.com; 'ken.ryfa@opg.com'; Feldman, Michael; Ramchandani, Rima; Mansoori, Nina; Olusoga, Yinka
Subject: Fair Hydro -- Supplemental Indenture for Long Term Debt

All,

Please find attached a first draft of the supplemental indenture for the long term debt, which we just received from Osler. Osler has advised that this draft remains subject to review and comment by the dealers. Please note that Torys/OPG have not yet reviewed.

Thanks,
Brett

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=UKMqIrEhOd5FohQQ_i9mGM0DWcS8WVSb-i_5BYugB90&m=m9uxRqfLA5yr_CMZYg9HBdElshL_qDwJdd5FpugGX5s&s=X_kZViRP7OlTKG678gBpESlmCnRJE2wdd5ldv1ZSb9g&e= >
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=UKMqIrEhOd5FohQQ_i9mGM0DWcS8WVSb-i_5BYugB90&m=m9uxRqfLA5yr_CMZYg9HBdElshL_qDwJdd5FpugGX5s&s=X_kZViRP7OlTKG678gBpESlmCnRJE2wdd5ldv1ZSb9g&e= >

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FIRST [SENIOR NOTES] SUPPLEMENTAL INDENTURE

between

[ISSUER] TRUST

by

● TRUST COMPANY OF CANADA
as Issuer Trustee

and

● TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF ●, 2017

AND PROVIDING FOR THE ISSUE OF
●% SENIOR NOTES DUE ● (SENIOR NOTES SERIES 2017-1)
OF [ISSUER] TRUST

Made as of ●, 2017

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●% SENIOR NOTES DUE ● (SENIOR NOTES SERIES 2007-1)

THIS FIRST [SENIOR NOTES] SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2017, between ●, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and ● **Trust Company of Canada**, a trust company existing under the laws of **[Canada]** (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of ●, 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Senior Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Senior Notes designated as the ●% Senior Notes due ● (Series 2017-1) (the "**Series 2017-1 Senior Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) The provisions of Section 1.1 of the Trust Indenture are applicable to this Supplemental Indenture. All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2017-1 Senior Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental Indenture are applicable only in respect of the Series 2017-1 Senior Notes and not the Senior Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2017-1 Senior Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2017-1 Senior Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2017-1 SENIOR NOTES

2.1 Creation of Series 2017-1 Senior Notes

There is hereby created a Series of Senior Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●% Senior Notes due ● (Series 2017-1)**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2017-1 Senior Notes will:

(a) be designated as set out in Section 2.1;

(b) be a Series of Senior Notes as contemplated by the Trust Indenture;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have an aggregate principal amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2017-1 Senior Notes may be increased after the date hereof without the consent of any holder of Series 2017-1 Senior Notes or any holder of any Notes of any other Class, Series or Tranche;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued in the form of a Global Note;

(h) be Senior Notes and will not be subordinated to any other Series, Class or Tranche of Notes;

(i) be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) bear interest at a rate of ●% per annum;

(k) accrue interest from the later of: (i) ●, 2017 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Notes;

(l) have interest paid in equal semi-annual instalments **[(except the initial interest payment)]** on ● and ● each year (each, an "**Interest Payment Date**") commencing ●, 2018 in

respect of the Series 2017-1 Senior Notes issued prior to such date **[NTD: Interest Payment Dates to be considered in context of model]**;

(m) **[have an initial interest payment in the amount of $● per $1,000 principal amount payable on ●, 2018;]**

(n) mature on, and have ●, as their Principal Payment Due Date;

(o) have ● as their Principal Payment Default Date;

(p) have ● as their Principal Accumulation Commencement Date;

(q) have a Record Date for each Interest Payment Date that is the ● day preceding each Interest Payment Date;

(r) **[be redeemable and subject to repurchase as provided in Section 2.6 below]**; and

(s) **[not be subject to defeasance and covenant defeasance as contemplated by Section ● of the Trust Indenture] [be subject to defeasance and covenant defeasance in accordance with Section ● of the Trust Indenture].**

2.3 Delivery

On the date of issuance of the Series 2017-1 Senior Notes, Series 2017-1 Senior Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any taxes required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2017-1 Senior Notes) will (i) on each Interest Payment Date, make payment of such interest, less any taxes required by law to be deducted or withheld, by wire transfer to each holder of a Series 2017-1 Senior Note as of the Record Date, or (ii) on the day that is two Business Days before each Interest Payment Date, forward or cause to be forwarded to the registered address of each holder of a Series 2017-1 Senior Note as of the Record Date a cheque for such interest, less any taxes required by law to be deducted or withheld, payable to the order of such holder. The payment by such wire transfer or forwarding of such cheque will satisfy and discharge the liability for interest upon such Series 2017-1 Senior Note to the extent of the sum represented thereby (plus the amount of any taxes deducted or withheld as aforesaid) unless any such cheque is not paid on presentation. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

[On the] [At least one Business Day prior to the] Principal Payment Due Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of holders of Series 2017-1 Senior Notes on maturity on account of principal. The deposit of such funds will

satisfy and discharge the liability for principal of the Series 2017-1 Senior Notes to the extent of the sum represented thereby.

2.6 [Redemption and Repurchase

[**NTD: Customary redemption/repurchase mechanics to be added to Trust Indenture as per OPG MTN indenture. Redemption below contemplates a par call]**

(a) At its option, at any time prior to ● **[par call date]**, the Issuer may redeem the Series 2017-1 Senior Notes in whole or, from time to time, in part, on payment of a redemption price equal to the greater of (i) the Series 2017-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2017-1 Redemption Date. At any time on or after ● **[par call date]**, the Issuer may redeem the Series 2017-1 Senior Notes in whole or, from time to time, in part, on payment of a redemption price equal to par, together with accrued and unpaid interest to the Series 2017-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption. Less than all of the Series 2017-1 Senior Notes may be redeemed, if so redeemed, in accordance with Section ● of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2017-1 Senior Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Series 2017-1 Senior Notes that are so purchased will be cancelled and will not be re-issued. Less than all of the Series 2017-1 Senior Notes may be purchased, if so purchased, for cancellation in accordance with Section ● of the Trust Indenture.

(c) The Series 2017-1 Senior Notes will not be subject to repurchase pursuant to any sinking fund or any other required repayment provisions].

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2017-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer indemnified person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer indemnified person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section **[7.04]** or Section **[8.13]** of the Trust Indenture, shall be non-recourse other

than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

[NTD: Subject to tax review]

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (collectively, "**Taxes**"), excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other taxes based on or measured by the net income of any Series 2017-1 Noteholder (but specifically excluding any taxes required to be withheld under Section 1446 of the *Internal Revenue Code* of 1986 (as amended, the "**Code**")) as a result of a present or former connection between the recipient and the jurisdiction of the governmental authority imposing such tax (other than any such connection arising solely from the recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); and (ii) any Taxes imposed under FATCA (as defined below) (including in the case of (i) and (ii), any interest, penalties and additions to tax) (all such excluded taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a recipient hereunder, the amounts so payable to the recipient shall be increased, and the recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Where the amount payable by the Issuer is increased in accordance with the previous sentence, the Monthly Interest and Fees shall be increased by the amount of such increase. Whenever any Taxes are payable on or with respect to amounts distributed to a recipient, as promptly as possible thereafter the Issuer shall send to such recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to U.S. federal withholding Tax imposed by provisions of Chapter 4 of the Code ("**FATCA**") if the recipient of such payment were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with their obligations under FATCA and to determine that such recipient has complied with it's obligations under FATCA or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a recipient expires or becomes obsolete or inaccurate in any respect, the recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2017-1 Senior Notes

On or prior to the initial issuance of Series 2017-1 Senior Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, the Issuer shall be compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Series 2017-1 Senior Notes shall have been duly issued in accordance with the Trust Indenture and the Global Note representing the Series 2017-1 Senior Notes shall have been executed and delivered to the Depository (or as it may direct) for deposit into its [**Book-Based System**] for the benefit of the [**Beneficial Holders**] upon receipt by the Indenture Trustee of a [**Written Order**].

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2017-1 Noteholder that:

(a) no Termination Event has occurred or would result from the initial purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not non-residents of Canada within the meaning of the *Income Tax Act* (Canada);

(c) all tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name and the Declaration of Trust has neither been amended nor rescinded other than as consented to by the holders of the Series 2017-1 Senior Notes;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest;

(f) all information provided to the Administrative Agent and the Purchaser Groups by or on behalf of the Issuer in respect of the Issuer Investment Interest is and will be true and accurate in all material respects;

(g) there has been no material adverse change in the condition (financial or otherwise), business, operations, results of operations, or the property of the Issuer; and

(h) the Issuer does not own or hold, directly or indirectly, any shares or equity security of, or any equity interest in, any Person.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section ● of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Issuer and the Indenture Trustee (on behalf of the Series 2017-1 Noteholders) acknowledge and agree that the Series 2017-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.06 (Payments Held in Trust), Section 8.12 (Limitation on Suits), Sections 7.04 and 8.13 (Payment Priorities), Section 8.15 (Limited Recourse) and Section 17.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2017-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2017-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 16 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (iii) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that ● Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2017-1 Senior Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Trust Indenture as of the date first above written.

● **TRUST**, by ● **TRUST COMPANY OF CANADA**, as Issuer Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

● **TRUST COMPANY OF CANADA**, as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

[NTD: Detailed signing pages to be prepared.]

SCHEDULE A

DEFINITIONS

"**Code**" has the meaning specified in Section 2.8(a) of this Supplemental Indenture.

"**Excluded Taxes**" has the meaning specified in Section 2.8(a) of this Supplemental Indenture.

"**Government of Canada Yield**" on any date means, in respect of the Series 2017-1 Senior Notes to be redeemed, the yield from the Series 2017-1 Redemption Date to ● **[par call date]**, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to ● **[par call date]** (calculated from the Series 2017-1 Redemption Date) of the Series 2017-1 Senior Notes, such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer;

"**Interest Payment Date**" has the meaning specified in Section 2.2(l) of this Supplemental Indenture.

"**Issuer Indemnified Person**" is defined in Section 2.7

"**Requisite Series 2017-1 Noteholders**" means Series 2017-1 Noteholders holding, in aggregate, at least **[50]**% of the Series 2017-1 Senior Notes then Outstanding.

"Series 2017-1 Canada Yield Price" means a price equal to the price of the Series 2017-1 Senior Notes calculated to provide a yield to ● [**par call date**], compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2017-1 Redemption Date specified in the notice of redemption delivered pursuant to Section ● of the Trust Indenture, plus ●%;

"**Series 2017-1 Noteholder**" means a Person in whose name a Series 2017-1 Senior Note is registered in the Note Register.

"**Series 2017-1 Redemption Date**" "means a date fixed for redemption of the Series 2017-1 Senior Notes pursuant to Section ● of the Trust Indenture.

"**Series 2017-1 Senior Note**" means any one of the Series 2017-1 Senior Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Taxes**" has the meaning specified in Section 2.8(a) of this Supplemental Indenture.

"**Termination Event**" means any Event of Default or any event which with the giving of notice or the passage of time, or both, could become an Event of Default.

SCHEDULE B

[FORM OF NOTE]

SERIES 2017-1 SENIOR NOTE

●

From: Hanslep, Malle (MOF)
To: Sarah Harris
Subject: Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt
Date: Thursday, October 26, 2017 6:48:13 PM
Attachments: 46490618_1.doc

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
Sent: Thursday, October 26, 2017 18:47
To: Kandeepan, Ken (OFA); Manning, Mike (OFA); Mayman, Gadi (OFA); Yep, Carlos (OFA); Kwan, Ronald (OFA); Devine, James (OFA); Kim, John (OFA); Strathy, Anna (OFA); Katona, Keley (MOF); John Psinas; Nelms, Scott (MOF); Montgomery, Kaitlin (MOF); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
Cc: Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG)
Subject: Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt

I might not have covered everyone with this email

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Saulnier, Brett <bsaulnier@torys.com>
Sent: Thursday, October 26, 2017 18:36
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
Cc: 'leslie.wong@opg.com'; dup-john.s.lee@opg.com; 'ken.ryfa@opg.com'; Feldman, Michael; Ramchandani, Rima; Mansoori, Nina; Olusoga, Yinka
Subject: Fair Hydro -- Supplemental Indenture for Long Term Debt

All,

Please find attached a first draft of the supplemental indenture for the long term debt, which we just received from Osler. Osler has advised that this draft remains subject to review and comment by the dealers. Please note that Torys/OPG have not yet reviewed.

Thanks,
Brett

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=UKMqIrEhOd5FohQQ_i9mGM0DWcS8WVSb-i_5BYugB90&m=m9uxRqfLA5yr_CMZYg9HBdElshL_qDwJdd5FpugGX5s&s=X_kZViRP7OlTKG678gBpESlmCnRJE2wdd5ldv1ZSb9g&e= >
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=UKMqIrEhOd5FohQQ_i9mGM0DWcS8WVSb-i_5BYugB90&m=m9uxRqfLA5yr_CMZYg9HBdElshL_qDwJdd5FpugGX5s&s=X_kZViRP7OlTKG678gBpESlmCnRJE2wdd5ldv1ZSb9g&e= >

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FIRST [SENIOR NOTES] SUPPLEMENTAL INDENTURE

between

[ISSUER] TRUST

by

● TRUST COMPANY OF CANADA
as Issuer Trustee

and

● TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF ●, 2017

AND PROVIDING FOR THE ISSUE OF
●% SENIOR NOTES DUE ● (SENIOR NOTES SERIES 2017-1)
OF [ISSUER] TRUST

Made as of ●, 2017

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●% SENIOR NOTES DUE ● (SENIOR NOTES SERIES 2007-1)

THIS FIRST [SENIOR NOTES] SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2017, between ●, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and ● **Trust Company of Canada**, a trust company existing under the laws of **[Canada]** (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of ●, 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Senior Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Senior Notes designated as the ●% Senior Notes due ● (Series 2017-1) (the "**Series 2017-1 Senior Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) The provisions of Section 1.1 of the Trust Indenture are applicable to this Supplemental Indenture. All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2017-1 Senior Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental Indenture are applicable only in respect of the Series 2017-1 Senior Notes and not the Senior Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2017-1 Senior Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2017-1 Senior Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2017-1 SENIOR NOTES

2.1 Creation of Series 2017-1 Senior Notes

There is hereby created a Series of Senior Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●% Senior Notes due ● (Series 2017-1)**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2017-1 Senior Notes will:

(a) be designated as set out in Section 2.1;

(b) be a Series of Senior Notes as contemplated by the Trust Indenture;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have an aggregate principal amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2017-1 Senior Notes may be increased after the date hereof without the consent of any holder of Series 2017-1 Senior Notes or any holder of any Notes of any other Class, Series or Tranche;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued in the form of a Global Note;

(h) be Senior Notes and will not be subordinated to any other Series, Class or Tranche of Notes;

(i) be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) bear interest at a rate of ●% per annum;

(k) accrue interest from the later of: (i) ●, 2017 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Notes;

(l) have interest paid in equal semi-annual instalments **[(except the initial interest payment)]** on ● and ● each year (each, an "**Interest Payment Date**") commencing ●, 2018 in

respect of the Series 2017-1 Senior Notes issued prior to such date **[NTD: Interest Payment Dates to be considered in context of model]**;

(m) **[have an initial interest payment in the amount of $● per $1,000 principal amount payable on ●, 2018;]**

(n) mature on, and have ●, as their Principal Payment Due Date;

(o) have ● as their Principal Payment Default Date;

(p) have ● as their Principal Accumulation Commencement Date;

(q) have a Record Date for each Interest Payment Date that is the ● day preceding each Interest Payment Date;

(r) **[be redeemable and subject to repurchase as provided in Section 2.6 below]**; and

(s) **[not be subject to defeasance and covenant defeasance as contemplated by Section ● of the Trust Indenture] [be subject to defeasance and covenant defeasance in accordance with Section ● of the Trust Indenture].**

2.3 Delivery

On the date of issuance of the Series 2017-1 Senior Notes, Series 2017-1 Senior Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any taxes required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2017-1 Senior Notes) will (i) on each Interest Payment Date, make payment of such interest, less any taxes required by law to be deducted or withheld, by wire transfer to each holder of a Series 2017-1 Senior Note as of the Record Date, or (ii) on the day that is two Business Days before each Interest Payment Date, forward or cause to be forwarded to the registered address of each holder of a Series 2017-1 Senior Note as of the Record Date a cheque for such interest, less any taxes required by law to be deducted or withheld, payable to the order of such holder. The payment by such wire transfer or forwarding of such cheque will satisfy and discharge the liability for interest upon such Series 2017-1 Senior Note to the extent of the sum represented thereby (plus the amount of any taxes deducted or withheld as aforesaid) unless any such cheque is not paid on presentation. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

[On the] [At least one Business Day prior to the] Principal Payment Due Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of holders of Series 2017-1 Senior Notes on maturity on account of principal. The deposit of such funds will

satisfy and discharge the liability for principal of the Series 2017-1 Senior Notes to the extent of the sum represented thereby.

2.6 [Redemption and Repurchase

[**NTD: Customary redemption/repurchase mechanics to be added to Trust Indenture as per OPG MTN indenture. Redemption below contemplates a par call]**

(a) At its option, at any time prior to ● **[par call date]**, the Issuer may redeem the Series 2017-1 Senior Notes in whole or, from time to time, in part, on payment of a redemption price equal to the greater of (i) the Series 2017-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2017-1 Redemption Date. At any time on or after ● **[par call date]**, the Issuer may redeem the Series 2017-1 Senior Notes in whole or, from time to time, in part, on payment of a redemption price equal to par, together with accrued and unpaid interest to the Series 2017-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption. Less than all of the Series 2017-1 Senior Notes may be redeemed, if so redeemed, in accordance with Section ● of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2017-1 Senior Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Series 2017-1 Senior Notes that are so purchased will be cancelled and will not be re-issued. Less than all of the Series 2017-1 Senior Notes may be purchased, if so purchased, for cancellation in accordance with Section ● of the Trust Indenture.

(c) The Series 2017-1 Senior Notes will not be subject to repurchase pursuant to any sinking fund or any other required repayment provisions].

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2017-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer indemnified person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer indemnified person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section **[7.04]** or Section **[8.13]** of the Trust Indenture, shall be non-recourse other

than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

[NTD: Subject to tax review]

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (collectively, "**Taxes**"), excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other taxes based on or measured by the net income of any Series 2017-1 Noteholder (but specifically excluding any taxes required to be withheld under Section 1446 of the *Internal Revenue Code* of 1986 (as amended, the "**Code**")) as a result of a present or former connection between the recipient and the jurisdiction of the governmental authority imposing such tax (other than any such connection arising solely from the recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); and (ii) any Taxes imposed under FATCA (as defined below) (including in the case of (i) and (ii), any interest, penalties and additions to tax) (all such excluded taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a recipient hereunder, the amounts so payable to the recipient shall be increased, and the recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Where the amount payable by the Issuer is increased in accordance with the previous sentence, the Monthly Interest and Fees shall be increased by the amount of such increase. Whenever any Taxes are payable on or with respect to amounts distributed to a recipient, as promptly as possible thereafter the Issuer shall send to such recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to U.S. federal withholding Tax imposed by provisions of Chapter 4 of the Code ("**FATCA**") if the recipient of such payment were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with their obligations under FATCA and to determine that such recipient has complied with it's obligations under FATCA or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a recipient expires or becomes obsolete or inaccurate in any respect, the recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2017-1 Senior Notes

On or prior to the initial issuance of Series 2017-1 Senior Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, the Issuer shall be compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Series 2017-1 Senior Notes shall have been duly issued in accordance with the Trust Indenture and the Global Note representing the Series 2017-1 Senior Notes shall have been executed and delivered to the Depository (or as it may direct) for deposit into its [**Book-Based System**] for the benefit of the [**Beneficial Holders**] upon receipt by the Indenture Trustee of a [**Written Order**].

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2017-1 Noteholder that:

(a) no Termination Event has occurred or would result from the initial purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not non-residents of Canada within the meaning of the *Income Tax Act* (Canada);

(c) all tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name and the Declaration of Trust has neither been amended nor rescinded other than as consented to by the holders of the Series 2017-1 Senior Notes;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest;

(f) all information provided to the Administrative Agent and the Purchaser Groups by or on behalf of the Issuer in respect of the Issuer Investment Interest is and will be true and accurate in all material respects;

(g) there has been no material adverse change in the condition (financial or otherwise), business, operations, results of operations, or the property of the Issuer; and

(h) the Issuer does not own or hold, directly or indirectly, any shares or equity security of, or any equity interest in, any Person.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section ● of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Issuer and the Indenture Trustee (on behalf of the Series 2017-1 Noteholders) acknowledge and agree that the Series 2017-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.06 (Payments Held in Trust), Section 8.12 (Limitation on Suits), Sections 7.04 and 8.13 (Payment Priorities), Section 8.15 (Limited Recourse) and Section 17.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2017-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2017-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 16 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (iii) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that ● Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2017-1 Senior Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Trust Indenture as of the date first above written.

● **TRUST**, by ● **TRUST COMPANY OF CANADA**, as Issuer Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

● **TRUST COMPANY OF CANADA**, as Indenture Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

[NTD: Detailed signing pages to be prepared.]

SCHEDULE A

DEFINITIONS

"**Code**" has the meaning specified in Section 2.8(a) of this Supplemental Indenture.

"**Excluded Taxes**" has the meaning specified in Section 2.8(a) of this Supplemental Indenture.

"**Government of Canada Yield**" on any date means, in respect of the Series 2017-1 Senior Notes to be redeemed, the yield from the Series 2017-1 Redemption Date to ● **[par call date]**, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to ● **[par call date]** (calculated from the Series 2017-1 Redemption Date) of the Series 2017-1 Senior Notes, such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer;

"**Interest Payment Date**" has the meaning specified in Section 2.2(l) of this Supplemental Indenture.

"**Issuer Indemnified Person**" is defined in Section 2.7

"**Requisite Series 2017-1 Noteholders**" means Series 2017-1 Noteholders holding, in aggregate, at least **[50]**% of the Series 2017-1 Senior Notes then Outstanding.

"Series 2017-1 Canada Yield Price" means a price equal to the price of the Series 2017-1 Senior Notes calculated to provide a yield to ● [**par call date**], compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2017-1 Redemption Date specified in the notice of redemption delivered pursuant to Section ● of the Trust Indenture, plus ●%;

"**Series 2017-1 Noteholder**" means a Person in whose name a Series 2017-1 Senior Note is registered in the Note Register.

"**Series 2017-1 Redemption Date**" "means a date fixed for redemption of the Series 2017-1 Senior Notes pursuant to Section ● of the Trust Indenture.

"**Series 2017-1 Senior Note**" means any one of the Series 2017-1 Senior Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Taxes**" has the meaning specified in Section 2.8(a) of this Supplemental Indenture.

"**Termination Event**" means any Event of Default or any event which with the giving of notice or the passage of time, or both, could become an Event of Default.

SCHEDULE B

[FORM OF NOTE]

SERIES 2017-1 SENIOR NOTE

●

From: Sarah Harris
To: Mike Manning
Cc: Opal Kandelas
Subject: Fwd: Fair Hydro -- Supplemental Indenture for Long Term Debt
Date: Friday, October 27, 2017 1:01:34 PM

Hi Mike,

Per Malle's e-mail below, would you have any objection if I attend this meeting?

Thanks,
Sarah

Sent from my iPhone

Begin forwarded message:

> **From:** "Hanslep, Malle (MOF)" <Malle.Hanslep@ontario.ca>
> **Date:** October 27, 2017 at 12:49:32 PM EDT
> **To:** "Harris, Sarah (OFA)" <Sarah.Harris@ofina.on.ca>
> **Cc:** "Whitfield, Tobias P. (MOF)" <Tobias.Whitfield@ontario.ca>
> **Subject: RE: Fair Hydro -- Supplemental Indenture for Long Term Debt**
>
> There is a meeting from 2 to 5 this afternoon in the executive boardroom on this project which is to cover quite a few questions about the structure. I think that if documentation is going to be involved in this project it would be useful for someone to attend. Perhaps you should check with Mike?
>
> ---
>
> **From:** Hanslep, Malle (MOF)
> **Sent:** October 26, 2017 6:48 PM
> **To:** Harris, Sarah (OFA)
> **Subject:** Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt
> Sent from my BlackBerry 10 smartphone on the Rogers network.
>
> ---
>
> **From:** Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
> **Sent:** Thursday, October 26, 2017 18:47
> **To:** Kandeepan, Ken (OFA); Manning, Mike (OFA); Mayman, Gadi (OFA); Yep, Carlos (OFA); Kwan, Ronald (OFA); Devine, James (OFA); Kim, John (OFA); Strathy, Anna (OFA); Katona, Keley (MOF); John Psinas; Nelms, Scott (MOF); Montgomery, Kaitlin (MOF); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
> **Cc:** Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG)
> **Subject:** Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt
> I might not have covered everyone with this email
> Sent from my BlackBerry 10 smartphone on the Rogers network.
>
> ---
>
> **From:** Saulnier, Brett <bsaulnier@torys.com>
> **Sent:** Thursday, October 26, 2017 18:36
> **To:** Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
> **Cc:** 'leslie.wong@opg.com'; dup-john.s.lee@opg.com; 'ken.ryfa@opg.com'; Feldman, Michael; Ramchandani, Rima; Mansoori, Nina; Olusoga, Yinka

Subject: Fair Hydro -- Supplemental Indenture for Long Term Debt

All,

Please find attached a first draft of the supplemental indenture for the long term debt, which we just received from Osler. Osler has advised that this draft remains subject to review and comment by the dealers. Please note that Torys/OPG have not yet reviewed.

Thanks,

Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

[torys.com]

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> **To:** Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
> **Cc:** 'leslie.wong@opg.com'; dup-john.s.lee@opg.com; 'ken.ryfa@opg.com'; Feldman, Michael; Ramchandani, Rima; Mansoori, Nina; Olusoga, Yinka

Subject: Fair Hydro -- Supplemental Indenture for Long Term Debt

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Brett

Brett Saulnier
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From: Sarah Harris
To: William Tan
Subject: Fwd: Final Docs for FHP Credit Agreement and AA#10
Date: Thursday, October 26, 2017 10:51:22 PM

Hi Will,

Have you spoken to Anthony and Lisa about the order of agreement execution which we discussed yesterday? Seems like IESO has a different idea as at now.

Sarah
Sent from my iPhone

Begin forwarded message:

From: Victor Buza <Victor.Buza@ieso.ca>
Date: October 26, 2017 at 8:05:18 PM EDT
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>, William Tan <William.Tan@ofina.on.ca>, Anthony Martinello <Anthony.Martinello@ieso.ca>, John Kim <John.Kim@ofina.on.ca>
Subject: Re: Final Docs for FHP Credit Agreement and AA#10

Thanks Lisa - I'd be happy to look at whatever you have by tomorrow mid-afternoon even if not entirely complete in order to keep things moving forward.

Per my email exchange with John earlier this week, we were targeting signing both agreements and the Intercept Letter by no later than middle of next week - please let us know if there is a view that target is at risk or is not achievable for any reason.

Victor

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Lisa Stein
Sent: Thursday, October 26, 2017 6:25 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Victor,
We are still finalizing AA#10. We will send it to you either tomorrow or early next week.
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, October 26, 2017 5:45 PM

To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Lisa – just wanted to check whether the latest version of AA#10 was ever sent across for our review or whether you were still waiting on finalization of the FHP Credit Agreement ? I can't seem to find anything in my system.

I would like to review the additions to the Permitted Liens language in AA#10 asap even if the addition of the Intercept language is not final.

Thanks,

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 10, 2017 12:10 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Victor,

We will send out a revised version of Amending Agreement #10, which has already been updated to include the Permitted Liens language, once we finalize the Credit Facility Agreement. Do you have any update on that agreement?

Thank you,

Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 9:03 AM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Thanks Will. I'm assuming you will also be separately providing a revised Amending Agreement #10 with the relevant changes ?

Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 06, 2017 11:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

Please find the attached version of the FHP Credit Facility Agreement which includes revised Permitted Liens (K) language. Obviously the letter agreement needs to be executed first.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, October 04, 2017 3:53 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello

<Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –

" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "

Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.

Let me know if you have any questions.

Regards,

Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,

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Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.

We look forward to the Permitted Liens changes tomorrow.

Thanks,

Will

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Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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Victor

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1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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OFA IESO Amending Agreement No. 10

Page 6. Delivered Via Email: CASHP@ofina.on.ca

Page 8. Delivered Via Email: CASHP@ofina.on.ca

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4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079

1600-120 Adelaide Street West, Toronto, ON M5H 1T1
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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

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Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive. Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.
Thanks,
Sarah

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From: Sarah Harris
To: William Tan
Subject: Fwd: Final Docs for FHP Credit Agreement and AA#10
Date: Thursday, October 26, 2017 10:51:22 PM

Hi Will,

Have you spoken to Anthony and Lisa about the order of agreement execution which we discussed yesterday? Seems like IESO has a different idea as at now.

Sarah
Sent from my iPhone

Begin forwarded message:

From: Victor Buza <Victor.Buza@ieso.ca>
Date: October 26, 2017 at 8:05:18 PM EDT
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>, William Tan <William.Tan@ofina.on.ca>, Anthony Martinello <Anthony.Martinello@ieso.ca>, John Kim <John.Kim@ofina.on.ca>
Subject: Re: Final Docs for FHP Credit Agreement and AA#10

Thanks Lisa - I'd be happy to look at whatever you have by tomorrow mid-afternoon even if not entirely complete in order to keep things moving forward.

Per my email exchange with John earlier this week, we were targeting signing both agreements and the Intercept Letter by no later than middle of next week - please let us know if there is a view that target is at risk or is not achievable for any reason.

Victor

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Lisa Stein
Sent: Thursday, October 26, 2017 6:25 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Victor,
We are still finalizing AA#10. We will send it to you either tomorrow or early next week.
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, October 26, 2017 5:45 PM

To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Lisa – just wanted to check whether the latest version of AA#10 was ever sent across for our review or whether you were still waiting on finalization of the FHP Credit Agreement ? I can't seem to find anything in my system.

I would like to review the additions to the Permitted Liens language in AA#10 asap even if the addition of the Intercept language is not final.

Thanks,

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 10, 2017 12:10 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Victor,

We will send out a revised version of Amending Agreement #10, which has already been updated to include the Permitted Liens language, once we finalize the Credit Facility Agreement. Do you have any update on that agreement?

Thank you,

Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 9:03 AM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
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Victor

416-969-6079

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Sent: September 08, 2017 12:45 PM
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Cc: William Tan; Lisa Stein
Subject: Touch Base

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- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.
Thanks,
Sarah

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From: Sarah Harris
To: William Tan
Subject: Fwd: IESO -> timeline of new facilities and draws
Date: Thursday, November 02, 2017 8:10:53 AM

Hi Will,

As soon possible this morning, please send me a draft that shows corrections on Anthony's process that we can then send back to IESO before we have a call.

Thanks,
Sarah

Sent from my iPhone

Begin forwarded message:

> **From:** Anthony Martinello <Anthony.Martinello@ieso.ca>
> **Date:** November 1, 2017 at 10:24:15 PM EDT
> **To:** William Tan <William.Tan@ofina.on.ca>
> **Cc:** John Kim <John.Kim@ofina.on.ca>, "Tobias P. Whitfield (MOF)" <Tobias.Whitfield@ontario.ca>, Lisa Stein <Lisa.Stein@ofina.on.ca>, "Victor Buza" <Victor.Buza@ieso.ca>, Sarah Harris <Sarah.Harris@ofina.on.ca>
> **Subject: IESO -> timeline of new facilities and draws**
>
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Regards.

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: November 01, 2017 2:07 PM
To: Victor Buza
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); Lisa Stein; William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

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Regards,

Victor

Victor Buza | Senior Counsel

Independent Electricity System Operator (IESO) | T: 416-969-6079

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Thank you,

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Lisa N. Stein
Legal Counsel
Ontario Financing Authority
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From: Sarah Harris
To: William Tan
Subject: Fwd: IESO -> timeline of new facilities and draws
Date: Thursday, November 02, 2017 8:10:53 AM

Hi Will,

As soon possible this morning, please send me a draft that shows corrections on Anthony's process that we can then send back to IESO before we have a call.

Thanks,
Sarah

Sent from my iPhone

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> **From:** Anthony Martinello <Anthony.Martinello@ieso.ca>
> **Date:** November 1, 2017 at 10:24:15 PM EDT
> **To:** William Tan <William.Tan@ofina.on.ca>
> **Cc:** John Kim <John.Kim@ofina.on.ca>, "Tobias P. Whitfield (MOF)" <Tobias.Whitfield@ontario.ca>, Lisa Stein <Lisa.Stein@ofina.on.ca>, "Victor Buza" <Victor.Buza@ieso.ca>, Sarah Harris <Sarah.Harris@ofina.on.ca>
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Sent: October 30, 2017 4:19 PM
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Cc: Sarah Harris; William Tan; John Kim
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From: Sarah Harris
To: Lisa Stein
Subject: Fwd: Subcategory allocation breakdown under $475M Credit Facility and $2B Credit Facility
Date: Monday, October 30, 2017 3:55:48 PM

Sent from my iPhone

Begin forwarded message:

From: William Tan <William.Tan@ofina.on.ca>
Date: October 30, 2017 at 12:50:00 PM EDT
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Subcategory allocation breakdown under $475M Credit Facility and $2B Credit Facility

Hi Sarah,
I asked Anthony to provide the subcategory account names/program names and allocation amounts under the $475M Credit Facility and $2B Credit Facility so that we may set these up on the loan system.
According to Anthony he wish arrange the facilities as follows:
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The additional balances (+) are for the new advances. He does not know the names of the subcategories yet or the amount allocations/limit to dedicate to the subcategories. He will provide us with these details in the form of a Borrowing Notice at the time for advancements.
Let me know if you require more details.
Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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To: William Tan
Cc: John Kim; Tobias P. Whitfield (MOF); Lisa Stein; Victor Buza; Sarah Harris
Subject: IESO -> timeline of new facilities and draws
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Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Hi Victor,
Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.
Please let us know if you have any further comments or if you would like to discuss further. If you

are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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From: Sarah Harris
To: Lisa Stein
Subject: IESO Agreement Review

From: Sarah Harris
To: William Tan
Subject: IESO Agreements
Date: Thursday, November 02, 2017 1:22:41 PM

I think we should have Gadi sign everything since he is available tomorrow. Please arrange for this with Anna S (she is in my meeting right now.)
Sent from my iPhone

From: Sarah Harris
To: Opal Kandelas
Subject: IESO Directive
Date: Friday, September 01, 2017 9:11:47 AM

Hi Opal,
The IESO directive was not signed yesterday. DMO/MO made the decision to pursue our Minister's signature early next week.
Sarah

From:	William Tan
To:	Mike Manning; James Devine
Cc:	Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject:	IESO FHP $2 billion Revolving Credit Facility and Existing $475 million Revolving Credit Facility
Date:	Thursday, August 31, 2017 2:18:20 PM

Hello,

This is to note that IESO requested the option to elect to continue (roll-over) all or a portion of principal and interest for the new FHP Revolving Credit Facility and existing $975 million (to be reduced to $475 million) Revolving Credit Facility. We have discussed this matter and there are no concerns from a Capital Markets perspective.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From:	William Tan
To:	Mike Manning; James Devine
Cc:	Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject:	IESO FHP $2 billion Revolving Credit Facility and Existing $475 million Revolving Credit Facility
Date:	Thursday, August 31, 2017 2:18:20 PM

Hello,

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Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
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From:	LeRoy Ahyee
To:	Sarah Harris
Subject:	IESO Grid Note (Redux)
Date:	Monday, September 11, 2017 12:15:07 PM
Attachments:	IESO RRRP Grid Note as at Aug 21st.pdf IESO RPP Grid Note as at Aug 21st.pdf

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FYI, as discussed.

LeRoy Ahyee

Settlements Officer | Ontario Financing Authority

Ph: 416-325-8076 | Cell: 416-473-1081

LeRoy.Ahyee@ofina.on.ca

Ontario Financing Authority

Line of Credit Grid Note

Entity : Independent Electricity System Operator

Project: Rural or Remote Electricity Rate Protection Variance

Schedule of loan transactions to: 21-Aug-2017

Loan Limit: 475,000,000.00

Loan Advanced to: 21-Aug-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017	33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	$2,950.27	$2,950.27	$0.00	$2,950.27	21-Jul-2017	31
21-Jul-2017	$6,629,013.88	1.0000%	21-Aug-2017	31	$5,630.12	$5,630.12	$0.00	$5,630.12	21-Aug-2017	31
21-Aug-2017	$7,175,694.39	1.0100%	21-Sep-2017	31	$6,155.37	$0.00	$0.00	$0.00		

Ontario Financing Authority

Line of Credit Grid Note

Entity : Independent Electricity System Operator

Project: Regulated Price Plan Variance

Schedule of loan transactions to: 21-Aug-2017

Loan Limit: 975,000,000.00

Loan Advanced to: 21-Aug-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016	31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016	30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016	33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016	30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017	30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017	32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017	28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017	34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017	29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	$73,796.11	$73,796.11	$0.00	$73,796.11	21-Jul-2017	31
21-Jul-2017	$246,567,897.99	1.0000%	21-Aug-2017	31	$209,413.83	$209,413.83	$0.00	$209,413.83	21-Aug-2017	31
21-Aug-2017	$394,702,336.03	1.0100%	21-Sep-2017	31	$338,578.91	$0.00	$0.00	$0.00		

From:	LeRoy Ahyee
To:	Sarah Harris
Subject:	IESO Grid Note (Redux)
Date:	Monday, September 11, 2017 12:15:07 PM
Attachments:	IESO RRRP Grid Note as at Aug 21st.pdf IESO RPP Grid Note as at Aug 21st.pdf

---

FYI, as discussed.

LeRoy Ahyee

Settlements Officer | Ontario Financing Authority

Ph: 416-325-8076 | Cell: 416-473-1081

LeRoy.Ahyee@ofina.on.ca

Ontario Financing Authority

Line of Credit Grid Note

Entity : Independent Electricity System Operator

Project: Rural or Remote Electricity Rate Protection Variance

Schedule of loan transactions to: 21-Aug-2017

Loan Limit: 475,000,000.00

Loan Advanced to: 21-Aug-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017	33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	$2,950.27	$2,950.27	$0.00	$2,950.27	21-Jul-2017	31
21-Jul-2017	$6,629,013.88	1.0000%	21-Aug-2017	31	$5,630.12	$5,630.12	$0.00	$5,630.12	21-Aug-2017	31
21-Aug-2017	$7,175,694.39	1.0100%	21-Sep-2017	31	$6,155.37	$0.00	$0.00	$0.00		

Ontario Financing Authority

Line of Credit Grid Note

Entity : Independent Electricity System Operator

Project: Regulated Price Plan Variance

Schedule of loan transactions to: 21-Aug-2017

Loan Limit: 975,000,000.00

Loan Advanced to: 21-Aug-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016	31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016	30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016	33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016	30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017	30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017	32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017	28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017	34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017	29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	$73,796.11	$73,796.11	$0.00	$73,796.11	21-Jul-2017	31
21-Jul-2017	$246,567,897.99	1.0000%	21-Aug-2017	31	$209,413.83	$209,413.83	$0.00	$209,413.83	21-Aug-2017	31
21-Aug-2017	$394,702,336.03	1.0100%	21-Sep-2017	31	$338,578.91	$0.00	$0.00	$0.00		

From: LeRoy Ahyee
To: Sarah Harris
Subject: IESO Grid Note
Date: Monday, September 11, 2017 12:09:28 PM
Attachments: OILC Line of Credit Grid Note as at September 1st.pdf

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FYI, as discussed.

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority
Ph: 416-325-8076 | Cell: 416-473-1081
LeRoy.Ahyee@ofina.on.ca

Ontario Financing Authority

Line of Credit Grid Note

Entity : Ontario Infrastructure and Lands Corporation

Project: Short-Term Borrowing

Schedule of loan transactions to: 01-Sep-2017

Loan Limit: 900,000,000.00

Loan Advanced to: 01-Sep-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
02-Jun-2014	$140,000,000.00	1.0630%	02-Sep-2014	92	$375,107.95	$375,107.95	$0.00	$375,107.95	02-Sep-2014	92
16-Jun-2014	$135,000,000.00	1.0530%	15-Sep-2014	91	$354,413.84	$354,413.84	$0.00	$354,413.84	15-Sep-2014	91
02-Jul-2014	$135,000,000.00	1.0540%	01-Oct-2014	91	$354,750.41	$354,750.41	$0.00	$354,750.41	01-Oct-2014	91
15-Jul-2014	$110,000,000.00	1.0630%	15-Oct-2014	92	$294,727.67	$294,727.67	$0.00	$294,727.67	15-Oct-2014	92
01-Aug-2014	$85,000,000.00	1.0730%	03-Nov-2014	94	$234,884.11	$234,884.11	$0.00	$234,884.11	03-Nov-2014	94
15-Aug-2014	$65,000,000.00	1.0530%	17-Nov-2014	94	$176,269.32	$176,269.32	$0.00	$176,269.32	17-Nov-2014	94
02-Sep-2014	$140,000,000.00	1.0530%	02-Dec-2014	91	$367,540.27	$367,540.27	$0.00	$367,540.27	02-Dec-2014	91
15-Sep-2014	$135,000,000.00	1.0330%	15-Dec-2014	91	$347,682.33	$347,682.33	$0.00	$347,682.33	15-Dec-2014	91
01-Oct-2014	$135,000,000.00	1.0190%	02-Jan-2015	93	$350,508.08	$350,508.08	$0.00	$350,508.08	02-Jan-2015	93
15-Oct-2014	$110,000,000.00	1.0130%	15-Jan-2015	92	$280,864.66	$280,864.66	$0.00	$280,864.66	15-Jan-2015	92
03-Nov-2014	$85,000,000.00	1.0230%	02-Feb-2015	91	$216,791.92	$10,216,791.92	$10,000,000.00	$216,791.92	02-Feb-2015	91
17-Nov-2014	$65,000,000.00	1.0530%	17-Feb-2015	92	$172,518.90	$172,518.90	$0.00	$172,518.90	17-Feb-2015	92
02-Dec-2014	$140,000,000.00	1.0430%	02-Mar-2015	90	$360,049.32	$15,360,049.32	$15,000,000.00	$360,049.32	02-Mar-2015	90
15-Dec-2014	$175,000,000.00	1.0530%	16-Mar-2015	91	$459,425.34	$459,425.34	$0.00	$459,425.34	16-Mar-2015	91
19-Dec-2014	$50,000,000.00	1.0630%	16-Mar-2015	87	$126,686.30	$126,686.30	$0.00	$126,686.30	16-Mar-2015	87
02-Jan-2015	$135,000,000.00	1.1230%	01-Apr-2015	89	$369,666.99	$369,666.99	$0.00	$369,666.99	01-Apr-2015	89
15-Jan-2015	$110,000,000.00	1.1030%	15-Apr-2015	90	$299,169.86	$299,169.86	$0.00	$299,169.86	15-Apr-2015	90
02-Feb-2015	$75,000,000.00	0.8230%	01-May-2015	88	$148,816.44	$148,816.44	$0.00	$148,816.44	01-May-2015	88
17-Feb-2015	$65,000,000.00	0.7630%	15-May-2015	87	$118,212.74	$20,118,212.74	$20,000,000.00	$118,212.74	15-May-2015	87
02-Mar-2015	$125,000,000.00	0.7630%	01-Jun-2015	91	$237,784.25	$237,784.25	$0.00	$237,784.25	01-Jun-2015	91
16-Mar-2015	$225,000,000.00	0.7830%	15-Jun-2015	91	$439,230.82	$65,439,230.82	$65,000,000.00	$439,230.82	15-Jun-2015	91

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
01-Apr-2015	$135,000,000.00	0.7630%	02-Jul-2015	92	$259,629.04	$35,259,629.04	$35,000,000.00	$259,629.04	02-Jul-2015	92
15-Apr-2015	$130,000,000.00	0.7800%	15-Jul-2015	91	$252,805.48	$45,252,805.48	$45,000,000.00	$252,805.48	15-Jul-2015	91
01-May-2015	$75,000,000.00	0.8430%	04-Aug-2015	95	$164,558.22	$50,164,558.22	$50,000,000.00	$164,558.22	04-Aug-2015	95
15-May-2015	$45,000,000.00	0.8430%	17-Aug-2015	94	$97,695.62	$97,695.62	$0.00	$97,695.62	17-Aug-2015	94
01-Jun-2015	$125,000,000.00	0.8330%	01-Sep-2015	92	$262,452.05	$262,452.05	$0.00	$262,452.05	01-Sep-2015	92
15-Jun-2015	$160,000,000.00	0.8330%	15-Sep-2015	92	$335,938.63	$335,938.63	$0.00	$335,938.63	15-Sep-2015	92
02-Jul-2015	$100,000,000.00	0.8130%	01-Oct-2015	91	$202,693.15	$20,202,693.15	$20,000,000.00	$202,693.15	01-Oct-2015	91
15-Jul-2015	$85,000,000.00	0.6140%	15-Oct-2015	92	$131,547.40	$20,131,547.40	$20,000,000.00	$131,547.40	15-Oct-2015	92
04-Aug-2015	$25,000,000.00	0.6030%	02-Nov-2015	90	$37,171.23	$5,037,171.23	$5,000,000.00	$37,171.23	02-Nov-2015	90
17-Aug-2015	$45,000,000.00	0.6030%	16-Nov-2015	91	$67,651.64	$25,067,651.64	$25,000,000.00	$67,651.64	16-Nov-2015	91
01-Sep-2015	$165,000,000.00	0.5930%	01-Dec-2015	91	$243,942.33	$25,243,942.33	$25,000,000.00	$243,942.33	01-Dec-2015	91
15-Sep-2015	$160,000,000.00	0.6030%	15-Dec-2015	91	$240,539.18	$240,539.18	$0.00	$240,539.18	15-Dec-2015	91
01-Oct-2015	$80,000,000.00	0.6130%	04-Jan-2016	95	$127,638.36	$127,638.36	$0.00	$127,638.36	04-Jan-2016	95
15-Oct-2015	$65,000,000.00	0.6030%	15-Jan-2016	92	$98,792.88	$10,098,792.88	$10,000,000.00	$98,792.88	15-Jan-2016	92
02-Nov-2015	$20,000,000.00	0.6230%	01-Feb-2016	91	$31,064.66	$31,064.66	$0.00	$31,064.66	01-Feb-2016	91
16-Nov-2015	$20,000,000.00	0.6230%	16-Feb-2016	92	$31,406.03	$31,406.03	$0.00	$31,406.03	16-Feb-2016	92
01-Dec-2015	$140,000,000.00	0.6430%	01-Mar-2016	91	$224,433.42	$224,433.42	$0.00	$224,433.42	01-Mar-2016	91
15-Dec-2015	$160,000,000.00	0.6630%	15-Mar-2016	91	$264,473.42	$264,473.42	$0.00	$264,473.42	15-Mar-2016	91
04-Jan-2016	$80,000,000.00	0.7430%	01-Apr-2016	88	$143,307.40	$143,307.40	$0.00	$143,307.40	01-Apr-2016	88
15-Jan-2016	$55,000,000.00	0.6030%	15-Apr-2016	91	$82,685.34	$82,685.34	$0.00	$82,685.34	15-Apr-2016	91
01-Feb-2016	$20,000,000.00	0.6930%	02-May-2016	91	$34,555.07	$34,555.07	$0.00	$34,555.07	02-May-2016	91
16-Feb-2016	$25,000,000.00	0.6930%	16-May-2016	90	$42,719.18	$42,719.18	$0.00	$42,719.18	16-May-2016	90
01-Mar-2016	$140,000,000.00	0.7030%	01-Jun-2016	92	$248,072.33	$10,248,072.33	$10,000,000.00	$248,072.33	01-Jun-2016	92
15-Mar-2016	$165,000,000.00	0.7130%	15-Jun-2016	92	$296,529.86	$5,296,529.86	$5,000,000.00	$296,529.86	15-Jun-2016	92
01-Apr-2016	$80,000,000.00	0.7030%	04-Jul-2016	94	$144,837.26	$10,144,837.26	$10,000,000.00	$144,837.26	04-Jul-2016	94
15-Apr-2016	$55,000,000.00	0.7130%	15-Jul-2016	91	$97,768.90	$97,768.90	$0.00	$97,768.90	15-Jul-2016	91
02-May-2016	$20,000,000.00	0.7430%	02-Aug-2016	92	$37,455.34	$10,037,455.34	$10,000,000.00	$37,455.34	02-Aug-2016	92
16-May-2016	$40,000,000.00	0.7230%	15-Aug-2016	91	$72,101.92	$72,101.92	$0.00	$72,101.92	15-Aug-2016	91
01-Jun-2016	$130,000,000.00	0.7060%	01-Sep-2016	92	$231,335.89	$15,231,335.89	$15,000,000.00	$231,335.89	01-Sep-2016	92

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
15-Jun-2016	$160,000,000.00	0.7010%	15-Sep-2016	92	$282,704.66	$10,282,704.66	$10,000,000.00	$282,704.66	15-Sep-2016	92
04-Jul-2016	$70,000,000.00	0.6830%	03-Oct-2016	91	$119,197.53	$119,197.53	$0.00	$119,197.53	03-Oct-2016	91
15-Jul-2016	$55,000,000.00	0.6730%	17-Oct-2016	94	$95,326.30	$15,095,326.30	$15,000,000.00	$95,326.30	17-Oct-2016	94
02-Aug-2016	$10,000,000.00	0.6830%	01-Nov-2016	91	$17,028.22	$17,028.22	$0.00	$17,028.22	01-Nov-2016	91
15-Aug-2016	$40,000,000.00	0.6730%	15-Nov-2016	92	$67,853.15	$67,853.15	$0.00	$67,853.15	15-Nov-2016	92
01-Sep-2016	$115,000,000.00	0.6630%	01-Dec-2016	91	$190,090.27	$190,090.27	$0.00	$190,090.27	01-Dec-2016	91
15-Sep-2016	$150,000,000.00	0.6530%	15-Dec-2016	91	$244,204.11	$244,204.11	$0.00	$244,204.11	15-Dec-2016	91
03-Oct-2016	$75,000,000.00	0.6530%	03-Jan-2017	92	$123,443.84	$10,123,443.84	$10,000,000.00	$123,443.84	03-Jan-2017	92
17-Oct-2016	$40,000,000.00	0.6530%	16-Jan-2017	91	$65,121.10	$65,121.10	$0.00	$65,121.10	16-Jan-2017	91
01-Nov-2016	$10,000,000.00	0.6630%	01-Feb-2017	92	$16,711.23	$10,016,711.23	$10,000,000.00	$16,711.23	01-Feb-2017	92
15-Nov-2016	$40,000,000.00	0.6630%	15-Feb-2017	92	$66,844.93	$66,844.93	$0.00	$66,844.93	15-Feb-2017	92
01-Dec-2016	$115,000,000.00	0.6730%	01-Mar-2017	90	$190,836.99	$45,190,836.99	$45,000,000.00	$190,836.99	01-Mar-2017	90
15-Dec-2016	$150,000,000.00	0.6830%	15-Mar-2017	90	$252,616.44	$30,252,616.44	$30,000,000.00	$252,616.44	15-Mar-2017	90
03-Jan-2017	$65,000,000.00	0.6930%	03-Apr-2017	90	$111,069.86	$111,069.86	$0.00	$111,069.86	03-Apr-2017	90
16-Jan-2017	$40,000,000.00	0.6930%	18-Apr-2017	92	$69,869.59	$69,869.59	$0.00	$69,869.59	18-Apr-2017	92
01-Feb-2017	$35,000,000.00	0.6970%	01-May-2017	89	$59,483.70	$59,483.70	$0.00	$59,483.70	01-May-2017	89
15-Feb-2017	$40,000,000.00	0.6910%	15-May-2017	89	$67,396.16	$67,396.16	$0.00	$67,396.16	15-May-2017	89
01-Mar-2017	$70,000,000.00	0.6880%	01-Jun-2017	92	$121,389.59	$20,121,389.59	$20,000,000.00	$121,389.59	01-Jun-2017	92
15-Mar-2017	$120,000,000.00	0.6770%	15-Jun-2017	92	$204,769.32	$50,204,769.32	$50,000,000.00	$204,769.32	15-Jun-2017	92
03-Apr-2017	$70,000,000.00	0.6730%	04-Jul-2017	92	$118,743.01	$5,118,743.01	$5,000,000.00	$118,743.01	04-Jul-2017	92
18-Apr-2017	$40,000,000.00	0.6830%	17-Jul-2017	90	$67,364.38	$67,364.38	$0.00	$67,364.38	17-Jul-2017	90
01-May-2017	$35,000,000.00	0.6630%	01-Aug-2017	92	$58,489.32	$35,058,489.32	$35,000,000.00	$58,489.32	01-Aug-2017	92
15-May-2017	$55,000,000.00	0.6430%	15-Aug-2017	92	$89,139.18	$50,089,139.18	$50,000,000.00	$89,139.18	15-Aug-2017	92
01-Jun-2017	$50,000,000.00	0.6430%	01-Sep-2017	92	$81,035.62	$17,081,035.62	$17,000,000.00	$81,035.62	01-Sep-2017	92
15-Jun-2017	$70,000,000.00	0.6530%	15-Sep-2017	92	$115,214.25	$0.00	$0.00	$0.00		
04-Jul-2017	$65,000,000.00	0.9030%	02-Oct-2017	90	$144,727.40	$0.00	$0.00	$0.00		
17-Jul-2017	$40,000,000.00	1.0030%	16-Oct-2017	91	$100,025.21	$0.00	$0.00	$0.00		
15-Aug-2017	$5,000,000.00	0.9630%	15-Nov-2017	92	$12,136.44	$0.00	$0.00	$0.00		
01-Sep-2017	$33,000,000.00	0.9830%	01-Dec-2017	91	$80,875.32	$0.00	$0.00	$0.00		

From: Sarah Harris
To: William Tan
Subject: IESO Status of Agreements
Date: Tuesday, October 24, 2017 10:18:23 AM

Hi Will,
Looks like we may be making some progress on IESO intercept letter
How close are we to execution versions of the FHP draft and amending agreement draft, and is the Prom Note in good shape? Are all signing authorities also in good shape?
Thanks,
Sarah

From: Sarah Harris
To: William Tan
Subject: IESO Status of Agreements
Date: Tuesday, October 24, 2017 10:18:23 AM

Hi Will,
Looks like we may be making some progress on IESO intercept letter
How close are we to execution versions of the FHP draft and amending agreement draft, and is the Prom Note in good shape? Are all signing authorities also in good shape?
Thanks,
Sarah

From: Anthony Martinello
To: William Tan
Cc: Lisa Stein; Sarah Harris; John Kim; Victor Buza
Subject: IESO / OEFC - $120MM and $160MM
Date: Wednesday, November 01, 2017 12:56:21 PM

Once we have completed the 2 OFA facilities and the intercept letter – we then have to turn to the 2 outstanding IESO-OEFC credit facilities to contemplate any further amendments too.

Just ensuring that these 2 OEFC facilities are not missed.

Regards.

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From: Sarah Neville
To: John Kim
Cc: Anna Strathy; Sarah Harris; Lisa Stein
Subject: IESO and intercept
Date: Tuesday, September 19, 2017 11:50:05 AM

Hi John –

I met with Gadi this morning after we spoke. He confirmed that the Directive will not be forthcoming from the Minister. We determined, as you had flagged for us, that the only approach is to reinsert the intercept provision back into the agreement because this complies with the OFA Lending Policy. The other documentation requirements of the policy will also need to be met with respect to the IESO and Ministry of Energy agreeing to the concept of the intercept.

Given that there is currently no appropriation authority for the IESO, we would propose, in lieu of an MOU to have a simple tripartite letter (OFA, IESO, and Energy) wherein all parties agree that in the event funds may in the future be appropriated, IESO and Energy agree to the application of the intercept of such funds (in accordance with the OFA's Policy).

There will need to be some high level discussions at IESO and Energy to make sure that there is the buy-in for this approach. How would you suggest the OFA move this forward?

Please let me know if you have questions or would like to discuss further.

Thanks very much,

Sarah

Sarah Neville
Director, Legal Branch
Ontario Financing Authority
1 Dundas Street West, Suite 1200
Toronto ON M7A 1Y7
Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

From:	John Kim
To:	Tom McKinlay (MAG)
Cc:	Sarah Neville; Sarah Harris
Subject:	IESO credit facility
Date:	Thursday, September 21, 2017 11:41:48 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean.docx IESO-OFA - FHP LoC - Intercept_Sep19-2017.docx

Hi Tom,

Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.

We are available for a chat today to address any questions or comments.

Thanks,

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

I am writing in relation to the Independent Electricity System Operator's (IESO) request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement. The OFA, IESO and the Ministry of Energy ("MOE") acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for the IESO [Energy to confirm] and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), on an unsecured basis, the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and MOE agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):
    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and MOE agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").
    - Under the intercept provision, which shall be included in the Loan Agreements, the IESO also agrees that any notice from the OFA to the Minister of Finance in relation to its failure to pay under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.
    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with MOE and seek MOE's support in getting the IESO to pay the amounts owing within a reasonable cure period.

DRAFT

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, MOE will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and expected timing of such payments to be made by MOE. Upon request, MOE will provide similar information to the Minister of Finance.

- MOE acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, MOE will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

DRAFT

BACKGROUND NOTE
OFA -- IESO CREDIT FACILITY & THE INTERCEPT PROVISION REQUIRED UNDER THE OFA'S LENDING POLICY

The IESO had requested a new revolving credit facility in an amount of up to $2 billion from the OFA to support its role in the implementation and participation under the *Ontario Fair Hydro Plan Act, 2017* ("OFHP Act").

On June 29, 2017, the OFA received a directive from the Minister to accommodate the IESO's request and provide a revolving credit facility to the IESO in an amount of up to $2 billion (the "OFHP Credit Facility").

Pursuant to the OFA Lending Policy, the OFA is required to include an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis, unless otherwise directed by the Minister of Finance [or Treasury Board or Cabinet].

In accordance with section 23 of the *Capital Investment Plan Act, 1993* ("CIPA"), the intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body, amounts equal to any amounts the public body fails to pay to the OFA under a loan agreement.

Per the requirements of the OFA's Lending Policy, the OFA has reached out to the Ministry of Energy and IESO to fulfill the requirement to include an intercept provision in credit facility agreements with the IESO.

- The OFA Lending Policy, as approved by the OFA Board, provides the following requirement for unsecured loans to public bodies under CIPA:

  > Except where otherwise directed by the Minister of Finance, Treasury Board or Cabinet, and prior to the OFA making any loan to a public body, the OFA will [e]nsure that it has an appropriate intercept in place for the loan.

- The OFA Lending Policy also includes the following intercept provision requirement:

  > The public body and its responsible ministry are to agree that the Minister of Finance is entitled to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts that the public body fails to pay to the OFA on account of indebtedness under its loan agreement with the OFA.

- The new FHP credit facility, with the required intercept clause, will enable the IESO to fulfil its commitments under the OFHP Act as the IESO will have to finance for a short or medium term period the funding shortfalls in the implementation of the OFHP Act, as well as the continued implementation of the market support function for the IESO through the $475 million facility (to be amended from the current $975 million facility) which will also require the intercept clause to be added.

- Including an intercept provision in the credit facility agreements with the IESO is expected to have no practical impact as the IESO receives no appropriations from the Province of Ontario [Energy to confirm], but would bring the lending facilities onside with the requirements of the OFA Lending Policy and be consistent with CIPA.

Electricity Finance Branch / Corporate and Electricity Finance Division / Ontario Financing Authority
September 19, 2017

From:	John Kim
To:	Tom McKinlay (MAG)
Cc:	Sarah Neville; Sarah Harris
Subject:	IESO credit facility
Date:	Thursday, September 21, 2017 11:41:48 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean.docx IESO-OFA - FHP LoC - Intercept_Sep19-2017.docx

Hi Tom,

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We are available for a chat today to address any questions or comments.

Thanks,

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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Electricity Finance Branch / Corporate and Electricity Finance Division / Ontario Financing Authority
September 19, 2017

From: William Tan
To: Sarah Harris
Subject: IESO directive
Date: Tuesday, September 12, 2017 3:35:11 PM

Hi Sarah,

I checked-in with John Kim in regards to the IESO directive. He has nothing new to report. We will be the first to know.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From:	John Kim
To:	Sarah Harris; William Tan; Caroline Swerdlyk
Cc:	Bruno Amara; Sarah Harris; Lisa Stein
Subject:	IESO intercept exemption directive
Date:	Thursday, August 31, 2017 1:26:42 PM

Hi there,

DMO/MO made the decision to pursue our M's signature early next week. So alternate option this week is not going to be pursued further.

Thanks,

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

From:	LeRoy Ahyee
To:	Sarah Harris
Subject:	IESO
Date:	Wednesday, November 01, 2017 11:20:44 AM
Attachments:	IESO RPP Grid Note Nov 1st.pdf IESO RPP Notice Oct 20th.pdf IESO RRRP Grid Note Nov 1st.pdf IESO RRRP Notice Oct 20th.pdf

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As requested.

Ontario

LeRoy Ahyee

Settlements Officer | Ontario Financing Authority

Ph: 416-325-8076 | Cell: 416-473-1081

LeRoy.Ahyee@ofina.on.ca

Ontario Financing Authority

Line of Credit Grid Note

Entity : IESO

Project: Regulated Price Plan Variance

Schedule of loan transactions to: 01-Nov-2017

Loan Limit: 975,000,000.00

Loan Advanced to: 01-Nov-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016	31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016	30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016	33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016	30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017	30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017	32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017	28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017	34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017	29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	$73,796.11	$73,796.11	$0.00	$73,796.11	21-Jul-2017	31
21-Jul-2017	$246,567,897.99	1.0000%	21-Aug-2017	31	$209,413.83	$209,413.83	$0.00	$209,413.83	21-Aug-2017	31
21-Aug-2017	$394,702,336.03	1.0100%	21-Sep-2017	31	$338,578.91	$338,578.91	$0.00	$338,578.91	21-Sep-2017	31
21-Sep-2017	$604,963,600.47	1.2500%	20-Oct-2017	29	$600,820.01	$600,820.01	$0.00	$600,820.01	20-Oct-2017	29
20-Oct-2017	$825,639,102.00	1.2500%	21-Nov-2017	32	$904,809.97	$0.00	$0.00	$0.00		

Connecting Today.
Powering Tomorrow.

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2
FORM OF ELECTION NOTICE*

Date: October 18, 2017

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7AIY7

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("**IESO**"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the" **Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue all or a portion of an Advance for an additional term, and in that connection with such election, sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day is October 20, 2017
(b) The aggregate amount of the new loan is $825,639,102.00
    i. previous principal amount: $604,963,600.47
    ii. advance: $220,675,501.53
(c) The new Repayment Date applicable to such Advance is November 21, 2017

IESO confirms it will also be paying interest in the amount of $600,820.01.
This transaction relates to the settlement of the Regulated Price Plan (RPP) variance.

Such election shall be confirmed by the IESO by a telephone call to OFA Cash· Management (416) 325-8108.

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement, and are not being used for any other purpose.

Yours truly,
INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: K Marshall

Kimberly Marshall
VP Corporate Services, CFO and Treasurer

Ontario Financing Authority

Line of Credit Grid Note

Entity : IESO

Project: Rural or Remote Electricity Rate Protection Variance

Schedule of loan transactions to: 01-Nov-2017

Loan Limit: 475,000,000.00

Loan Advanced to: 01-Nov-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017	33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	$2,950.27	$2,950.27	$0.00	$2,950.27	21-Jul-2017	31
21-Jul-2017	$6,629,013.88	1.0000%	21-Aug-2017	31	$5,630.12	$5,630.12	$0.00	$5,630.12	21-Aug-2017	31
21-Aug-2017	$7,175,694.39	1.0100%	21-Sep-2017	31	$6,155.37	$6,155.37	$0.00	$6,155.37	21-Sep-2017	31
21-Sep-2017	$9,841,878.70	1.2500%	20-Oct-2017	29	$9,774.47	$9,774.47	$0.00	$9,774.47	20-Oct-2017	29
20-Oct-2017	$10,649,081.37	1.2500%	21-Nov-2017	32	$11,670.23	$0.00	$0.00	$0.00		

ieso
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Independent Electricity System Operator
Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2
FORM OF ELECTION NOTICE*

Date: October 18, 2017

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7AIY7

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("**IESO**"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the" **Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue all or a portion of an Advance for an additional term, and in that connection with such election, sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

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(b) The aggregate amount of the new loan is $10,649,081.37
    i. previous principal amount: $9,841,878.70
    ii. advance: $807,202.67
(c) The new Repayment Date applicable to such Advance is November 21, 2017

IESO confirms it will also be paying interest in the amount of $9,774.47. This transaction relates to the settlement of the Rural or Remote Electricity Rate Protection (RRRP) variance.

Such election shall be confirmed by the IESO by a telephone call to OFA Cash· Management (416) 325-8108.

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Any and all funds received under the Agreement are being used solely as authorized under the Agreement, and are not being used for any other purpose.

Yours truly,
INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: K Marshall

Kimberly Marshall
VP Corporate Services, CFO and Treasurer

From:	LeRoy Ahyee
To:	Sarah Harris
Subject:	IESO
Date:	Wednesday, November 01, 2017 11:20:44 AM
Attachments:	IESO RPP Grid Note Nov 1st.pdf IESO RPP Notice Oct 20th.pdf IESO RRRP Grid Note Nov 1st.pdf IESO RRRP Notice Oct 20th.pdf

---

As requested.

Ontario

LeRoy Ahyee

Settlements Officer | Ontario Financing Authority

Ph: 416-325-8076 | Cell: 416-473-1081

LeRoy.Ahyee@ofina.on.ca

Ontario Financing Authority

Line of Credit Grid Note

Entity : IESO

Project: Regulated Price Plan Variance

Schedule of loan transactions to: 01-Nov-2017

Loan Limit: 975,000,000.00

Loan Advanced to: 01-Nov-2017

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016	31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016	30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016	33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016	30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017	30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017	32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017	28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017	34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017	29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	$73,796.11	$73,796.11	$0.00	$73,796.11	21-Jul-2017	31
21-Jul-2017	$246,567,897.99	1.0000%	21-Aug-2017	31	$209,413.83	$209,413.83	$0.00	$209,413.83	21-Aug-2017	31
21-Aug-2017	$394,702,336.03	1.0100%	21-Sep-2017	31	$338,578.91	$338,578.91	$0.00	$338,578.91	21-Sep-2017	31
21-Sep-2017	$604,963,600.47	1.2500%	20-Oct-2017	29	$600,820.01	$600,820.01	$0.00	$600,820.01	20-Oct-2017	29
20-Oct-2017	$825,639,102.00	1.2500%	21-Nov-2017	32	$904,809.97	$0.00	$0.00	$0.00		

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Independent Electricity System Operator
Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2
FORM OF ELECTION NOTICE*

Date: October 18, 2017

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7AIY7

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Yours truly,
INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: K Marshall

Kimberly Marshall
VP Corporate Services, CFO and Treasurer

Ontario Financing Authority

Line of Credit Grid Note

Entity : IESO

Project: Rural or Remote Electricity Rate Protection Variance

Schedule of loan transactions to: 01-Nov-2017

Loan Limit: 475,000,000.00

Loan Advanced to: 01-Nov-2017

New Loan and/or Rollover						Actual Repayment				
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SCHEDULE 2
FORM OF ELECTION NOTICE*

Date: October 18, 2017

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7AIY7

Attention: Cash Management

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Yours truly,
INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: K Marshall

Kimberly Marshall
VP Corporate Services, CFO and Treasurer

From:	Sarah Harris
To:	Anthony.Martinello@ieso.ca; Victor.Buza@ieso.ca
Cc:	Lisa Stein; John Kim; William Tan
Bcc:	Opal Kandelas
Subject:	Intercept Letter
Date:	Thursday, November 02, 2017 12:58:29 PM

Hello Victor and Anthony,

The intercept letter has been signed off by Energy, and it will be hand-delivered to IESO shortly.

Thanks,

Sarah

Sent from my iPhone

From:	John Kim
To:	Lisa Stein; Sarah Harris
Subject:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx
Date:	Wednesday, November 01, 2017 12:10:11 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx

---

Hi Lisa, Sarah,

Would you know how to include page numbers and names of the recipients up to each subsequent pages?

If you have a sample, I can do it myself.

Thanks,

John

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

November , 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

I am writing in relation to the Independent Electricity System Operator's ("IESO") request to the Ontario Financing Authority ("OFA") for a new revolving credit facility in an amount of up to CAD $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.* Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

The IESO and the Ministry of Energy ("ENERGY") confirm and the OFA acknowledges that at this time there are no amounts appropriated by the Legislature for payment to the IESO by ENERGY and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement") on an unsecured basis, the OFA requires ENERGY and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and ENERGY agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a “Loan Agreement”; together, the “Loan Agreements”):

    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and ENERGY agree that, in the event that the Legislature appropriates any funds for payment by ENERGY to the IESO for any purpose (“Appropriated Funds”), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the “intercept provision”). Terms relating to the intercept provision shall also be separately included in the Loan Agreements.

    - If the intercept provision is exercised, the IESO agrees that any notice from the OFA to the Minister of Finance in relation to its failure to make a payment that is due under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with ENERGY and seek ENERGY’s support in getting the IESO to pay the amounts owing to OFA within a reasonable cure period.

    - Upon receipt of notice from the OFA that the IESO has failed to make one or more payments owing to it in accordance with the provisions of a Loan Agreement, ENERGY will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO by ENERGY, including the intended purpose and expected timing of such payments to be made by ENERGY. Upon request, ENERGY will provide similar information to the Minister of Finance.

    - ENERGY acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment by ENERGY to the IESO, ENERGY will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance’s direction.

    - For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

Sincerely,

_____

Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

The undersigned hereby agree to the terms and conditions as set out in this letter agreement and have executed this letter agreement as of the date first noted above.

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

November , 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

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Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

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Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

From:	Lisa Stein
To:	Gavin He
Cc:	John Kim; Sarah Neville; Sarah Harris; William Tan
Subject:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Date:	Wednesday, October 25, 2017 12:46:20 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx

---

Hi Gavin,

I've made a few tweaks to the letter; black-lined version attached. If you have no further questions, I don't need to review again.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

October 25, 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
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For further certainty, the OFA and the Ministry of Energy ("ENERGY") acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

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Sincerely,

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Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

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~~**Ontario Financing Authority**~~

~~by:_____~~

~~name: Ronald Kwan~~

~~title: Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA~~

~~c. Gadi Mayman, Chief Executive Officer, OFA~~

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

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Ontario Financing Authority
1 Dundas Street West
Suite 1400
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Office ontarien de financement
1 rue Dundas ouest
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(416) 325-8000

October 25, 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

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From:	Lisa Stein
To:	Gavin He
Cc:	John Kim; Sarah Neville; Sarah Harris; William Tan
Subject:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Date:	Wednesday, October 25, 2017 12:46:20 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx

---

Hi Gavin,

I've made a few tweaks to the letter; black-lined version attached. If you have no further questions, I don't need to review again.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

Ontario Financing Authority
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October 25, 2017

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October 25, 2017

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From:	Lisa Stein
To:	John Kim
Cc:	Sarah Neville; Sarah Harris; William Tan; Gavin He
Subject:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date:	Tuesday, October 24, 2017 2:31:24 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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Edits as requested. I've removed Ron's edits as well.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
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DRAFT

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DRAFT

From:	Lisa Stein
To:	John Kim
Cc:	Sarah Neville; Sarah Harris; William Tan; Gavin He
Subject:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date:	Tuesday, October 24, 2017 2:31:24 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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Edits as requested. I've removed Ron's edits as well.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
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The OFA, IESO and the Ministry of Energy ("ENERGY") acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for payment to the IESO [Energy to confirm] by ENERGY and the intent of such intercept~~-~~ provision is that it would~~-~~ apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

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From:	Sarah Neville
To:	John Kim; Sarah Harris
Cc:	Anna Strathy; Lisa Stein
Subject:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date:	Thursday, September 21, 2017 11:38:17 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

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Hi John – tweaked the acknowledgement to make it mutual as between all and to narrow the reference to appropriations so that it is clear it is not any MOE appropriation but only that destined for the IESO.
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From:	Lisa Stein
To:	John Kim; Sarah Harris
Cc:	Sarah Neville
Subject:	Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx
Date:	Wednesday, September 20, 2017 9:41:23 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx

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Good morning John and Sarah,

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Please add in the appropriate details, including addressees and signature lines, and send it back to legal for final review. Happy to discuss.

Thanks,

Lisa

Lisa N. Stein
Legal Counsel
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From:	John Kim
To:	Lisa Stein; Sarah Harris
Subject:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx
Date:	Wednesday, November 01, 2017 12:10:11 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx

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Hi Lisa, Sarah,

Would you know how to include page numbers and names of the recipients up to each subsequent pages?

If you have a sample, I can do it myself.

Thanks,

John

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

November , 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

I am writing in relation to the Independent Electricity System Operator's ("IESO") request to the Ontario Financing Authority ("OFA") for a new revolving credit facility in an amount of up to CAD $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.* Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

The IESO and the Ministry of Energy ("ENERGY") confirm and the OFA acknowledges that at this time there are no amounts appropriated by the Legislature for payment to the IESO by ENERGY and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement") on an unsecured basis, the OFA requires ENERGY and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and ENERGY agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a “Loan Agreement”; together, the “Loan Agreements”):

    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and ENERGY agree that, in the event that the Legislature appropriates any funds for payment by ENERGY to the IESO for any purpose (“Appropriated Funds”), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the “intercept provision”). Terms relating to the intercept provision shall also be separately included in the Loan Agreements.

    - If the intercept provision is exercised, the IESO agrees that any notice from the OFA to the Minister of Finance in relation to its failure to make a payment that is due under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with ENERGY and seek ENERGY’s support in getting the IESO to pay the amounts owing to OFA within a reasonable cure period.

    - Upon receipt of notice from the OFA that the IESO has failed to make one or more payments owing to it in accordance with the provisions of a Loan Agreement, ENERGY will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO by ENERGY, including the intended purpose and expected timing of such payments to be made by ENERGY. Upon request, ENERGY will provide similar information to the Minister of Finance.

    - ENERGY acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment by ENERGY to the IESO, ENERGY will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance’s direction.

    - For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

Sincerely,

_____

Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

The undersigned hereby agree to the terms and conditions as set out in this letter agreement and have executed this letter agreement as of the date first noted above.

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

November , 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

I am writing in relation to the Independent Electricity System Operator's ("IESO") request to the Ontario Financing Authority ("OFA") for a new revolving credit facility in an amount of up to CAD $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.* Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

The IESO and the Ministry of Energy ("ENERGY") confirm and the OFA acknowledges that at this time there are no amounts appropriated by the Legislature for payment to the IESO by ENERGY and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement") on an unsecured basis, the OFA requires ENERGY and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and ENERGY agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a “Loan Agreement”; together, the “Loan Agreements”):

    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and ENERGY agree that, in the event that the Legislature appropriates any funds for payment by ENERGY to the IESO for any purpose (“Appropriated Funds”), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the “intercept provision”). Terms relating to the intercept provision shall also be separately included in the Loan Agreements.

    - If the intercept provision is exercised, the IESO agrees that any notice from the OFA to the Minister of Finance in relation to its failure to make a payment that is due under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with ENERGY and seek ENERGY’s support in getting the IESO to pay the amounts owing to OFA within a reasonable cure period.

    - Upon receipt of notice from the OFA that the IESO has failed to make one or more payments owing to it in accordance with the provisions of a Loan Agreement, ENERGY will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO by ENERGY, including the intended purpose and expected timing of such payments to be made by ENERGY. Upon request, ENERGY will provide similar information to the Minister of Finance.

    - ENERGY acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment by ENERGY to the IESO, ENERGY will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance’s direction.

    - For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

Sincerely,

_____

Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

The undersigned hereby agree to the terms and conditions as set out in this letter agreement and have executed this letter agreement as of the date first noted above.

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

From:	Lisa Stein
To:	John Kim
Cc:	Sarah Harris; William Tan
Subject:	Intercept letter
Date:	Thursday, November 02, 2017 12:13:10 PM

Hi John,

Can you please update us on the status of the intercept letter?

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

From: John Kim
To: Sarah Neville; Lisa Stein
Cc: Sarah Harris; William Tan; Ken Kandeepan; Anna Strathy
Subject: Intercept provision
Date: Thursday, October 12, 2017 3:01:19 PM

Hi Sarah, Lisa,

I have a request for a legal interpretation of the OFA Lending Policy.

The OFA Lending Policy as we currently have it, does it provide for a requirement [of the MOU/the letter agreement we have drafted] other than one ministry responsible for the public body? The way I read the policy, I believe there should be one Ministry that provides oversight of the public body.

This morning, at a meeting, IESO representative raised the issue of their managing the government's implementation of Green ON Fund (?). I am presuming that the same type of arrangement applies for this program as the Energy's program, i.e. no appropriation for IESO's operation, and this is TBD but would like to know how implementation of such a program funded by another ministry would factor into what we are looking to do.

The purpose of the question is to entertain whether the MOU/the letter agreement needs to include MOECC or not. I don't think so but would appreciate your assessment.

Thanks,

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

From:	John Kim
To:	Lisa Stein; Sarah Neville; Sarah Harris; William Tan; Francisco Chinchon
Cc:	Tobias P. Whitfield (MOF)
Subject:	Intercept

Pls. suggest an alternate venue if not convenient.

From: Sarah Harris
To: Lisa Stein
Date: Monday, September 11, 2017 11:31:53 AM
Attachments: OPA IESO Amendment No 9 (Executed).pdf

Sarah Harris
Manager, Operations
Capital Markets Division
Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, ON M7A 1Y7
416-325-8193
sarah.harris@ofina.on.ca

AMENDING AGREEMENT NO. 9

This Amending Agreement No. 9 (this "**Amending Agreement**") is made as of the 30 day of November, 2016

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**") (as Borrower)

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

WHEREAS the Ontario Power Authority ("OPA") and the OFA entered into a Credit Agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amendding Agreement No. 7") and December 19, 2014 (titled, "Amending Agreement No. 8"), the parties amended the Original Agreement (as so amended, the "**Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* (the "**Amalgamation**") with the name Independent Electricity Sytem Operator;

AND WHEREAS under the Amalgamation the obligations of the OPA became obligations of the amalgamated corporation and the Parties wish to amend the Agreement to reflect the name of the amalgamated corporation;

AND WHEREAS the Parties now wish to further amend the Agreement pursuant to the terms of this Amending Agreement;

AND WHEREAS pursuant to Section 7.3 of the Agreement, the Agreement may only be amended or otherwise modified by written agreement executed by each of the OFA and the IESO.

NOW THEREFORE IN CONSIDERATION of the mutual agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to the following amendments, effective as of the date first written above.

Except as expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined in this Amending Agreement have the respective meanings given to those terms in the Agreement.

1. The following definition is added to Section 1.1 of the Agreement:

   "IESO" means the Independent Electricity System Operator, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998.*

2. Section 1.6 is added to the Agreement as follows:

   "**Section 1.6 References to OPA**

   For the purposes of this Agreement, all references to the "Ontario Power Authority" or "OPA" in this Agreement shall be interpreted as referring to the IESO.

3. Section 2.4 of the Agreement is deleted in its entirety and replaced by the following:

   "Subject to Sections 2.9 and 5.1, the IESO shall repay each Advance on the applicable Repayment Date and, in any event, shall repay all Advances Oustanding, together with all accrued interest and all other amounts owing hereunder on December 31, 2019."

4. Section 3.1 of the Agreement is deleted in its entirety and replaced by the following:

   "The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Operating Facility from time to time on any Business Day prior to November 30, 2019."

5. Section 3.2(1) of the Agreement is deleted in its entirety and replaced by the following:

   "Subject to Section 3.3(3), each Advance shall be made on two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each such notice of an Advance (each, a "**Borrowing Notice**") shall be given substantially in the form of Schedule 1, shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance, (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2."

6. Section 3.3(1) of the Agreement is deleted in its entirety and replaced by the following:

   "The IESO may elect to continue all or a portion of the principal amount of any Advance for a further period of a minimum of 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2)."

7. Section 3.3(2) of the Agreement is deleted in its entirety and replaced by the following:

   "Each election to continue an Advance for a further period shall be made on one Business Day's prior notice, given, in each case, not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each such notice (each, an "**Election Notice**") shall be given substantially in the form of Schedule 2, shall be irrevocable and binding upon the IESO and shall specify (a) the requested date of the proposed election, (b) the aggregate principal election amount, and (c) the new Repayment Date, which shall be no earlier than 28 days and not later than 95 days after the current Repayment Date. If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date."

8. Section 5.1(b) of the Agreement is deleted in its entirety and replaced by the following:

"failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Oustanding, all interest accrued thereon and all other amounts owing under this Agreement on December 31, 2019;"

9. The address and contact information of the OPA provided in Section 7.1 of the Agreement is deleted and replaced by the following:

   If to the IESO, to it at:

   Independent Electricity System Operator
   120 Adelaide Street West, Suite 1600
   Toronto, ON M5H 1T1

   Attention: Chief Financial Officer
   Telephone: 416-969-6232
   Fascimile: 905-403-6913

10. Schedule 1 of the Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

11. Schedule 2 of the Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

12. Schedule 3 of the Agreement, IESO Grid Note, is deleted in its entirety and replaced by the IESO Grid Note attached hereto as Schedule 3.

IN ALL OTHER RESPECTS, the said Agreement is confirmed by the Parties.

IN WITNESS WHEREOF the Parties have executed this Amending Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director
Capital Markets Division

I have authorit to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authorit to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 9

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("**OFA**")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("**IESO**"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The aggregate amount of the Proposed Advance is **$**_____;
(c) The Repayment Date of the Proposed Advance is _____. [no earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The undersigned herby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purposes:

(1) [indicate amount and purpose of funds requested]
(2) [indicate amount and purpose of funds requested]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 9

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("**OFA**")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("**IESO**"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue all or a portion of an Advance for an additional term, and in connection with such election, sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day is _____;
(b) The aggregate amount of the proposed election is $_____;
    i. previous principal amount $_____
    ii. interest $_____
(c) The new Repayment Date applicable to such Advance is _____. [no earlier than 28 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per:_____
Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 9

SCHEDULE 3

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $975,000,000 Date: November 30, 2016

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"Company"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the Company, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the Company to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the Company.

The Company waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the Company has executed this Note.

INDEPENDENT ELECTRICTY SYSTEM OPERARTOR

By: _____

Name: Bruce Campbell
Title: President & CEO

By: _____

Name: Kimberly Marshall
Title: VP, Corporate Services; CFO; Treasurer

ONTARIO FINANCING AUTHORITY
LINE OF CREDIT GRID NOTE

Borrower: Independent Electricity System Operator

Program: Regulated Price Plan Variance

Schedule of loan transactions to: 21-Nov-2016

Loan Limit: $975,000,000.00

Loan Advanced to: 21-Nov-2016

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016	31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016	30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016	33
21-Nov-2016	$64,793,065.20	0.7800%	21-Dec-2016	30	$41,538.57	$64,834,603.77	$64,793,065.20	$41,538.57	21-Dec-2016	30
21-Nov-2016	$15,431,729.40	0.7800%	21-Dec-2016	30	$9,893.22	$15,441,622.62	$15,431,729.40	$9,893.22	21-Dec-2016	30

From: Kelly Listoe
To: Ryan Blackbyrne; Sarah Harris
Subject: New Time Proposed: OPG and IESO

From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Date:	Friday, November 03, 2017 9:53:28 AM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance:	High

Hi Victor,

Please find attached the latest version of AA#10, incorporating that changes that you have requested. We have also included additional language pertaining to the "Transfer of Funds". Please let us know your thoughts and if you would like to discuss further.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st day of November, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "**Parties**")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

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1. The definition of “Advances” in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   “**Advances**” means advances made by the OFA to the IESO under Article 3 and “Advance” means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a “Continued Advance”, as defined in Section 3.3(1), as applicable.”

2. The definition of “**Commitment**” in Section 1.1 of the Credit Agreement is amended by deleting “$975,000,000” and substituting “$475,000,000” therefor.

3. The definition of “**Permitted Liens**” is amended by deleting the word “and” at the end of subsection (i); replacing the “.” at the end of subsection (j) and replacing it with “; and” ; and adding the following subsection (k):

   “(k) any Lien arising from the IESO’s role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.”

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   “Clean Energy Adjustment” has the same meaning as that term is defined in the OFHP.

   “**Continued Advance”** has the meaning specified in Section 3.3(1).

   “**Current Repayment Date**” has the meaning specified in Section 3.3(2).

   “**New Repayment Date**” has the meaning specified in Section 3.3(2).

   “OFHP” means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 “Use of Proceeds” of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   “The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes.”

6. Section 3.2 “Procedures for Advances” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days’ prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as

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permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

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(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **November 3rd, 2017** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

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and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means ~~that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii)~~ the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date ~~on the Effective Date prior to the Effective Time~~, being:

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i. ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 3, 2017; and, ~~[INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;~~

ii. ~~ii.~~ the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings ~~as~~ defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date~~; of this Amending Agreement~~ and,

iii. the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,

~~i.~~iv. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.

16. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

~~14.~~17. This Amending Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amending Agreement.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement ~~No. 10~~ on the dates set out below, which shall come into effect as of the Effective Time as defined herein.~~as of the date first above written.~~

ONTARIO FINANCING AUTHORITY

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Per: _____ Date: November , 2017.
Name: ~~Michael D. Manning~~Gadi Mayman
Title: ~~Executive Director & Chief~~Chief Executive Officer
~~Investment Officer, Capital Markets Division~~

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

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Per: _____ Date: November , 2017.
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	"Victor Buza"
Cc:	Anthony Martinello; Lisa Stein; Sarah Harris; John Kim
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 1:18:21 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hello Victor,

Please find attached the latest black-lined version of the OFA IESO Amending Agreement No. 10. In this version, we have made amendments to the effective date of the agreement, Permitted Liens, Section 5.2 Acceleration of Maturity; Rescission and Annulment, Section 5.7 Intercept (To be replaced with finalized language from new FHP credit facility agreement) and Section 7.9 Entire Agreement.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged and confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message including any attachments, without reading it or making a copy. Thank you

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Date:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	"Victor Buza"
Cc:	Anthony Martinello; Lisa Stein; Sarah Harris; John Kim
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 1:18:21 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hello Victor,

Please find attached the latest black-lined version of the OFA IESO Amending Agreement No. 10. In this version, we have made amendments to the effective date of the agreement, Permitted Liens, Section 5.2 Acceleration of Maturity; Rescission and Annulment, Section 5.7 Intercept (To be replaced with finalized language from new FHP credit facility agreement) and Section 7.9 Entire Agreement.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged and confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message including any attachments, without reading it or making a copy. Thank you

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Date:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Monday, October 30, 2017 3:33:56 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

I've made some additional amendments to the latest draft, attached, to incorporate the Effective Date.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Date:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Monday, October 30, 2017 3:33:56 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

I've made some additional amendments to the latest draft, attached, to incorporate the Effective Date.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Date:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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Commented [LS1]: NTD: Replace with finalized language from new FHP credit facility agreement

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan; Sarah Harris
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Date:	Monday, October 30, 2017 11:02:32 AM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

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Latest draft

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of ~~September~~October, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as

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Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan; Sarah Harris
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Date:	Monday, October 30, 2017 11:02:32 AM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

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Latest draft

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of ~~September~~October, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as

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Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	OFA IESO Amending Agreement No 10 - Execution Version v3 blacklined.docx
Date:	Friday, October 06, 2017 2:29:17 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version v3 blacklined.docx

---

Hi Will,

Please find attached amending agreement #10 with the latest updates. We should still wait to send these to IESO until we know how we are going to proceed regarding the intercept provisions.

On another note, have the borrowing notice and election notice already been updated to reflect the new credit facility agreement notice language?

Thanks,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of ~~September~~October, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

~~7.~~8. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~9. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~10. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~11. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	OFA IESO Amending Agreement No 10 - Execution Version v3 blacklined.docx
Date:	Friday, October 06, 2017 2:29:17 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version v3 blacklined.docx

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Hi Will,

Please find attached amending agreement #10 with the latest updates. We should still wait to send these to IESO until we know how we are going to proceed regarding the intercept provisions.

On another note, have the borrowing notice and election notice already been updated to reflect the new credit facility agreement notice language?

Thanks,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of ~~September~~October, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

~~7.~~8. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~9. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~10. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~11. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris
Cc:	William Tan
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Date:	Friday, November 03, 2017 9:31:41 AM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance:	High

Hi Sarah,

Please see attached the latest draft as discussed and let me know if you would like to discuss further.

If you are satisfied with this version, I will forward to Victor.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st day of November, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "**Parties**")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

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1. The definition of “Advances” in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   “**Advances**” means advances made by the OFA to the IESO under Article 3 and “Advance” means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a “Continued Advance”, as defined in Section 3.3(1), as applicable.”

2. The definition of “**Commitment**” in Section 1.1 of the Credit Agreement is amended by deleting “$975,000,000” and substituting “$475,000,000” therefor.

3. The definition of “**Permitted Liens**” is amended by deleting the word “and” at the end of subsection (i); replacing the “.” at the end of subsection (j) and replacing it with “; and” ; and adding the following subsection (k):

   “(k) any Lien arising from the IESO’s role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.”

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   “Clean Energy Adjustment” has the same meaning as that term is defined in the OFHP.

   “**Continued Advance”** has the meaning specified in Section 3.3(1).

   “**Current Repayment Date**” has the meaning specified in Section 3.3(2).

   “**New Repayment Date**” has the meaning specified in Section 3.3(2).

   “OFHP” means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 “Use of Proceeds” of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   “The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes.”

6. Section 3.2 “Procedures for Advances” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days’ prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as

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permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

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(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **November 3rd, 2017** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

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and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means ~~that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii)~~ the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date ~~on the Effective Date prior to the Effective Time~~, being:

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i. ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 3, 2017; and, ~~[INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;~~

ii. ~~ii.~~ the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings ~~as~~ defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date~~; of this Amending Agreement~~ and,

iii. the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,

~~i.~~iv. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.

16. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

~~14.~~17. This Amending Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amending Agreement.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement ~~No. 10~~ on the dates set out below, which shall come into effect as of the Effective Time as defined herein.~~as of the date first above written.~~

ONTARIO FINANCING AUTHORITY

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Per: _____ Date: November , 2017.
Name: ~~Michael D. Manning~~Gadi Mayman
Title: ~~Executive Director & Chief~~Chief Executive Officer
~~Investment Officer, Capital Markets Division~~

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

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Per: _____ Date: November , 2017.
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris
Cc:	William Tan
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Date:	Friday, November 03, 2017 9:31:41 AM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance:	High

Hi Sarah,

Please see attached the latest draft as discussed and let me know if you would like to discuss further.

If you are satisfied with this version, I will forward to Victor.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st day of November, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "**Parties**")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

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1. The definition of “Advances” in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   “**Advances**” means advances made by the OFA to the IESO under Article 3 and “Advance” means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a “Continued Advance”, as defined in Section 3.3(1), as applicable.”

2. The definition of “**Commitment**” in Section 1.1 of the Credit Agreement is amended by deleting “$975,000,000” and substituting “$475,000,000” therefor.

3. The definition of “**Permitted Liens**” is amended by deleting the word “and” at the end of subsection (i); replacing the “.” at the end of subsection (j) and replacing it with “; and” ; and adding the following subsection (k):

   “(k) any Lien arising from the IESO’s role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.”

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   “Clean Energy Adjustment” has the same meaning as that term is defined in the OFHP.

   “**Continued Advance”** has the meaning specified in Section 3.3(1).

   “**Current Repayment Date**” has the meaning specified in Section 3.3(2).

   “**New Repayment Date**” has the meaning specified in Section 3.3(2).

   “OFHP” means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 “Use of Proceeds” of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   “The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes.”

6. Section 3.2 “Procedures for Advances” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days’ prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as

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permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

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(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **November 3rd, 2017** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

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and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means ~~that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii)~~ the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date ~~on the Effective Date prior to the Effective Time~~, being:

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i. ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 3, 2017; and, ~~[INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;~~

ii. ~~ii.~~ the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings ~~as~~ defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date~~; of this Amending Agreement~~ and,

iii. the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,

~~i.~~iv. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.

16. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

~~14.~~17. This Amending Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amending Agreement.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement ~~No. 10~~ on the dates set out below, which shall come into effect as of the Effective Time as defined herein.~~as of the date first above written.~~

ONTARIO FINANCING AUTHORITY

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Per: _____ Date: November , 2017.
Name: ~~Michael D. Manning~~Gadi Mayman
Title: ~~Executive Director & Chief~~Chief Executive Officer
~~Investment Officer, Capital Markets Division~~

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

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Per: _____ Date: November , 2017.
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	"Victor Buza"; Anthony Martinello
Cc:	Sarah Harris; William Tan
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2.docx
Date:	Thursday, November 02, 2017 12:32:50 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2.docx

Please see latest black-lined version attached, as discussed at our meeting this morning.

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st [day of November, 2017 (the "**Effective Date**")

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~a.~~ "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as

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permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

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(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"**Section 5.7 Intercept**

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **November 3rd, 2017** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

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and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Other Financial Transactions**" means those transactions between the Parties to be completed ~~on the Effective Date~~ prior to the Effective Time in relation to:

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i. the advance of ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated [INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, ~~in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;~~

~~ii.~~ the completion of all Advances (as defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date of this Amending Agreement, prior to the Commitment (as defined in the Credit Agreement). ~~the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and~~

~~the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;~~

~~14.~~15. After the Effective Time, ~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. ~~to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	"Victor Buza"; Anthony Martinello
Cc:	Sarah Harris; William Tan
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2.docx
Date:	Thursday, November 02, 2017 12:32:50 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2.docx

Please see latest black-lined version attached, as discussed at our meeting this morning.

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st [day of November, 2017 (the "**Effective Date**")

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~a.~~ "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as

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permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

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(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"**Section 5.7 Intercept**

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **November 3rd, 2017** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

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and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Other Financial Transactions**" means those transactions between the Parties to be completed ~~on the Effective Date~~ prior to the Effective Time in relation to:

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i. the advance of ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated [INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, ~~in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;~~

~~ii.~~ the completion of all Advances (as defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date of this Amending Agreement, prior to the Commitment (as defined in the Credit Agreement). ~~the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and~~

~~the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;~~

~~14.~~15. After the Effective Time, ~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. ~~to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; Anthony Martinello
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Date:	Wednesday, November 01, 2017 5:06:33 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Importance:	High

Hi Victor,

Please find attached our latest draft of AA#10, with some further amendments blacklined. A further call with you and Anthony will likely be required to discuss our proposed changes to section 14. Please let Will know your availability for tomorrow and he will set up the call.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~21st [~~**NTD: VERIFY DATE – 21st?**~~]~~day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date:~~

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1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Credit Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount

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of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **[DATE]** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal

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Commented [LS1]: NTD: Added same language as new FHP Credit Facility Agreement

Commented [LS2]: NTD: This requires a date as the letter agreement will not be even dated with AA#10.

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to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Other Financial Transactions**" means those transactions between the Parties to be completed ~~on the Effective Date~~ prior to the Effective Time in relation to:

i. the advance of ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated [INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing

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the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, ~~in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;~~

ii. the completion of all Advances (as defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date of this Amending Agreement, prior to the Commitment (as defined in the Credit Agreement).. ~~the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and~~

~~the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;~~

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. ~~to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; Anthony Martinello
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Date:	Wednesday, November 01, 2017 5:06:33 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Importance:	High

Hi Victor,

Please find attached our latest draft of AA#10, with some further amendments blacklined. A further call with you and Anthony will likely be required to discuss our proposed changes to section 14. Please let Will know your availability for tomorrow and he will set up the call.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~21st [~~**NTD: VERIFY DATE – 21st?**~~]~~day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date:~~

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1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Credit Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount

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of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **[DATE]** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal

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Commented [LS1]: NTD: Added same language as new FHP Credit Facility Agreement

Commented [LS2]: NTD: This requires a date as the letter agreement will not be even dated with AA#10.

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to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Other Financial Transactions**" means those transactions between the Parties to be completed ~~on the Effective Date~~ prior to the Effective Time in relation to:

i. the advance of ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated [INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing

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the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, ~~in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;~~

ii. the completion of all Advances (as defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date of this Amending Agreement, prior to the Commitment (as defined in the Credit Agreement).. ~~the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and~~

~~the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;~~

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. ~~to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris
Cc:	John Kim; William Tan
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Date:	Wednesday, November 01, 2017 3:29:12 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Importance:	High

Hi Sarah,

Please see my comments and amendments on the attached version of AA#10. I have specifically highlighted some sections requiring further OFA program area review. Please let me know if you would like to discuss.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~21st [~~**NTD: VERIFY DATE – 21st?**~~]~~day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date:~~

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1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Credit Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount

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of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **[DATE]** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal

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to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Other Financial Transactions**" means those transactions between the Parties to be completed on the Effective Date prior to the Effective Time in relation to:

i. the advance of funds under a separate credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;

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ii. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and

iii. the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. ~~to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris
Cc:	John Kim; William Tan
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Date:	Wednesday, November 01, 2017 3:29:12 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Importance:	High

Hi Sarah,

Please see my comments and amendments on the attached version of AA#10. I have specifically highlighted some sections requiring further OFA program area review. Please let me know if you would like to discuss.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~21st [~~**NTD: VERIFY DATE – 21st?**~~]~~day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date:~~

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1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Credit Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount

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of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **[DATE]** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal

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to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Other Financial Transactions**" means those transactions between the Parties to be completed on the Effective Date prior to the Effective Time in relation to:

i. the advance of funds under a separate credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;

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ii. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and

iii. the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. ~~to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Date:	Friday, November 03, 2017 9:53:28 AM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance:	High

Hi Victor,

Please find attached the latest version of AA#10, incorporating that changes that you have requested. We have also included additional language pertaining to the "Transfer of Funds". Please let us know your thoughts and if you would like to discuss further.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st day of November, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "**Parties**")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

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1. The definition of “Advances” in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   “**Advances**” means advances made by the OFA to the IESO under Article 3 and “Advance” means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a “Continued Advance”, as defined in Section 3.3(1), as applicable.”

2. The definition of “**Commitment**” in Section 1.1 of the Credit Agreement is amended by deleting “$975,000,000” and substituting “$475,000,000” therefor.

3. The definition of “**Permitted Liens**” is amended by deleting the word “and” at the end of subsection (i); replacing the “.” at the end of subsection (j) and replacing it with “; and” ; and adding the following subsection (k):

   “(k) any Lien arising from the IESO’s role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.”

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   “Clean Energy Adjustment” has the same meaning as that term is defined in the OFHP.

   “**Continued Advance”** has the meaning specified in Section 3.3(1).

   “**Current Repayment Date**” has the meaning specified in Section 3.3(2).

   “**New Repayment Date**” has the meaning specified in Section 3.3(2).

   “OFHP” means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 “Use of Proceeds” of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   “The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes.”

6. Section 3.2 “Procedures for Advances” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days’ prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as

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permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

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(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **November 3rd, 2017** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

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and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means ~~that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii)~~ the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date ~~on the Effective Date prior to the Effective Time~~, being:

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i. ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 3, 2017; and, ~~[INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;~~

ii. ~~ii.~~ the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings ~~as~~ defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date~~; of this Amending Agreement~~ and,

iii. the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,

~~i.~~iv. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.

16. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

~~14.~~17. This Amending Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amending Agreement.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement ~~No. 10~~ on the dates set out below, which shall come into effect as of the Effective Time as defined herein.~~as of the date first above written.~~

ONTARIO FINANCING AUTHORITY

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Per: _____ Date: November , 2017.
Name: ~~Michael D. Manning~~Gadi Mayman
Title: ~~Executive Director & Chief~~Chief Executive Officer
~~Investment Officer, Capital Markets Division~~

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

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Per: _____ Date: November , 2017.
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan; Sarah Harris
Cc:	Shajee Kathirgamanathan
Subject:	OFA IESO Amending Agreement No 10 OFA Markup Sep7.docx
Date:	Thursday, September 07, 2017 1:52:30 PM
Attachments:	OFA IESO Amending Agreement No 10 OFA Markup Sep7.docx

---

Hi Sarah and Will,

Please see attached mark-up, containing suggested amendments and comments for your review. For ease of reference I've deleted some comments that have already been addressed. If you would like to discuss further please do not hesitate to contact me.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the ~~grid promissory note~~Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

Commented [VB1]: NOTE – consider changing ultimate repayment date to later than December 31, 2019 to align with FHP dates.

Formatted: Font: Bold

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid ~~or re-paid~~ by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form ~~of the grid note~~ attached hereto as Schedule 3 (the **"Grid Note")** and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new ~~grid promissory note~~Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

Commented [LS2]: Sarah/Will – Is this deletion more accurate? The original language is consistent with the draft FHP credit facility agreement

Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Commented [LS3]: Sarah/Will – please note. Requires completed Grid Note with numbers.

Commented [A4]: As of August 21, 2017. IESO to confirm.

Commented [LS5]: This amount needs to be confirmed prior to execution of agreement

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

~~**Election Notice**~~**I. ELECTION NOTICE**

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

~~Borrowing Notice~~**II. BORROWING NOTICE [to be included if applicable]**

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid ~~(the **"Grid")**~~ attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the ~~grid promissory note~~Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note ~~Note~~ together with all interest accrued thereon shall become due and payable as specified in the c~~C~~redit a~~A~~greement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). ~~All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.~~

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

MT DOCS 14791871

Commented [LS6]: Note to Sarah/Will – Please ensure that you provide IESO with actual completed Grid Note; this is just the form

Commented [VB7]: The term "Note" is not defined in the Agreement as far as I can tell, having checked all amendments. It occurs 6 times on this page. In the 2nd para, the term "grid promissory note" is also used and means the same thing. These should be consistent. "Note" should be defined, or we could use "Grid Note" throughout, but again it's preferable for it to be defined in some manner.

Commented [LS8]: "Grid Note" now defined in s. 3.2 of Credit Agreement.

Commented [LS9]: NTD: Consistent with FHP credit facility language; is this accurate or would you prefer to use "Grid"?

Commented [VB10]: The original 2005 agreement is not defined as or entitled "Credit Agreement", so this occurrence should be lower case.

Commented [LS11]: "Grid Note" now defined in s. 3.2 of Credit Agreement.

By:_____

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan; Sarah Harris
Cc:	Shajee Kathirgamanathan
Subject:	OFA IESO Amending Agreement No 10 OFA Markup Sep7.docx
Date:	Thursday, September 07, 2017 1:52:30 PM
Attachments:	OFA IESO Amending Agreement No 10 OFA Markup Sep7.docx

Hi Sarah and Will,

Please see attached mark-up, containing suggested amendments and comments for your review. For ease of reference I've deleted some comments that have already been addressed. If you would like to discuss further please do not hesitate to contact me.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the ~~grid promissory note~~Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

Commented [VB1]: NOTE – consider changing ultimate repayment date to later than December 31, 2019 to align with FHP dates.

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"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid ~~or re-paid~~ by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form ~~of the grid note~~ attached hereto as Schedule 3 (the **"Grid Note")** and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new ~~grid promissory note~~Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

Commented [LS2]: Sarah/Will – Is this deletion more accurate? The original language is consistent with the draft FHP credit facility agreement

Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Commented [LS3]: Sarah/Will – please note. Requires completed Grid Note with numbers.

Commented [A4]: As of August 21, 2017. IESO to confirm.

Commented [LS5]: This amount needs to be confirmed prior to execution of agreement

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

~~**Election Notice**~~**I. ELECTION NOTICE**

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

~~Borrowing Notice~~**II. BORROWING NOTICE [to be included if applicable]**

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid ~~(the **"Grid"**)~~ attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the ~~grid promissory note~~Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note ~~Note~~ together with all interest accrued thereon shall become due and payable as specified in the c~~C~~redit a~~A~~greement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). ~~All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.~~

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Commented [LS6]: Note to Sarah/Will – Please ensure that you provide IESO with actual completed Grid Note; this is just the form

Commented [VB7]: The term "Note" is not defined in the Agreement as far as I can tell, having checked all amendments. It occurs 6 times on this page. In the 2nd para, the term "grid promissory note" is also used and means the same thing. These should be consistent. "Note" should be defined, or we could use "Grid Note" throughout, but again it's preferable for it to be defined in some manner.

Commented [LS8]: "Grid Note" now defined in s. 3.2 of Credit Agreement.

Commented [LS9]: NTD: Consistent with FHP credit facility language; is this accurate or would you prefer to use "Grid"?

Commented [VB10]: The original 2005 agreement is not defined as or entitled "Credit Agreement", so this occurrence should be lower case.

Commented [LS11]: "Grid Note" now defined in s. 3.2 of Credit Agreement.

By:_____

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan
Subject:	OFA IESO Amending Agreement No 10 OFA Sep10.docx
Date:	Monday, September 11, 2017 11:59:12 AM
Attachments:	OFA IESO Amending Agreement No 10 OFA Sep10.docx

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Latest black-lined version, as discussed.

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the ~~grid promissory note~~Grid Note~~e~~ (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) ~~the outstanding principal amount of the Grid Note~~Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such Advances~~advances~~ and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

Commented [VB1]: Same as "Advances Outstanding"?? Or is this different?

Commented [LS2]: Program to confirm,

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A3]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section ~~3.2~~ 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Commented [VB4]: Change of reference

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

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OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

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This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

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The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

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IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Caroline Swerdlyk
To:	William Tan
Cc:	Lisa Stein; Sarah Harris; Sarah Neville; Tobias P. Whitfield (MOF)
Subject:	OFHP OFA Prom note (draft) + $2Billion OIC
Date:	Thursday, August 31, 2017 12:12:35 PM
Attachments:	OFHP OFA borrow from Province Prom Note v3 (OFA legal markup).doc OC-1279-2017.pdf

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Hi Will,

I reviewed the draft Promissory Note against the OIC, and noticed a discrepancy in the wording used in s. (d)(i) of the Prom Note. I have amended it (attached) to align with the wording in the OIC.

I've cc'd Toby since he is also reviewing this – Toby, could you please let me know if you are okay with this change, or would like to discuss?

Thanks,
Caroline

Caroline Swerdlyk
Legal Counsel
ext. 5-8141

Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you

Promissory Note

For value received, the Ontario Financing Authority (the "Borrower") promises to pay to Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, Province of Ontario (the "Lender") at the City of Toronto in lawful money of Canada, the lesser of:

(i) Two Billion Dollars; and

(ii) the aggregate unpaid principal balance of all advances made by the Lender as recorded on the reverse of this note or on any attachment described below;

at such time and on such other terms and conditions including the payment of interest as follows;

(a) the Borrower shall be entitled to advances of the loan (an "Advance") in such amounts and at such times as it requires provided that the aggregate amount advanced shall not exceed Two Billion Dollars;

(b) the Borrower shall be entitled to repay Advances either in whole or in part and at such time or times as it determines provided that all Advances plus any accrued interest shall be fully repaid by December 31, 2047;

(c) the Borrower shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Two Billion Dollars;

(d) the Borrower shall pay to the Lender interest on each Advance at a rate which is determined as follows

(i) from the date of Advance to (but excluding) the date of repayment the Borrower shall pay to the Lender interest on the Advance at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days ~~or longer~~, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province

of Ontario treasury bills immediately preceding ~~on~~ the Reset Date as determined by the Province;

(ii) in the event that moneys included in an Advance are subsequently loaned by the Borrower to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the Borrower to the Lender on the portion of the Advance so loaned shall be adjusted at the option of the OFA effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the Borrower on such moneys is equivalent to either:

(A) the per annum rate of interest payable to the Borrower under the Third Party Loan, or

(B) the per annum rate of interest payable to the Borrower under the Third Party Loan less an amount not exceeding 25 basis points,

rather than the rate specified in subparagraph (i), until (but excluding) the date on which the Third Party Loan is repaid to the OFA, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Lender on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full;

(e) despite subparagraphs (c)(ii) and (iii) in the event that no interest is payable to the Borrower under a Third Party Loan, no- interest shall be payable by the Borrower on the portion of the Advance so loaned and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period;

Commented [WT1]: Lisa, what type of additional written authorization is required for the Minister to specify 'the amount determined by the Minister of Finance" or is this handled by the Directive that is being drafted?

(f) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(g) despite paragraph (b), interest on any portion of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the Borrower receives payment of interest under the relevant Third Party Loan; and

(h) despite paragraph (b), any portion of the principal of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall become payable only to the extent the Borrower receives repayment of principal under the relevant Third Party Loan.

The undersigned authorizes the Lender to record on the reverse of this note or on any attachment to this note all advances, repayments and prepayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the Lender on this note or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the Lender to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount of the Advances and interest.

Date as of the ~~1st~~ day of ~~July~~, 2017.

Commented [WT2]: Lisa, what date should we use?

Ontario Financing Authority

Per:

Gadi Mayman

Chief Executive Officer

$2 BILLION OF A PROMISSORY NOTE TO PROVINCE OF ONTARIO, JULY 1, 2017

Date	PRINCIPAL ADVANCED	RATE	PAYMENT DATE	INTEREST AMOUNT	AMOUNT OF		NOTATION MADE BY
					REPAYMENT OF PRINCIPAL	PAYMENT OF INTEREST	

Executive Council of Ontario/Conseil exécutif de l'Ontario **[Bilingual]**

Ontario

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

Sur la recommandation de la personne soussignée, la lieutenante-gouverneure de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

WHEREAS pursuant to subsection 22(1) of the *Capital Investment Plan Act, 1993* (the "Act"), the Minister of Finance may purchase securities of or make loans to corporations established under subsection 2(1) of the Act in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council considers expedient;

AND WHEREAS the Ontario Financing Authority (the "OFA") is a corporation established under subsection 2(1) of the Act;

AND WHEREAS pursuant to subsection 6(3) of the Act, the power of a corporation established under subsection 2(1) of the Act to borrow and issue securities, among other things, may only be exercised under the authority of a by-law that has been approved by the Minister of Finance;

AND WHEREAS the OFA wishes to borrow up to Two Billion Dollars in lawful money of Canada from the Minister of Finance and has been authorized to do so by a borrowing by-law approved in accordance with the Act;

THEREFORE:

Pursuant to subsection 22 (1) of the Act, the Minister of Finance is authorized to lend a maximum of Two Billion Dollars in lawful money of Canada to the OFA on the following terms and conditions:

(a) the loan may be advanced in such amounts and at such time or times as required by the OFA;

(b) repayment of advances made under the loan plus accrued interest may be made in whole or in part at any time provided that the loan plus any accrued interest shall be fully repaid by December 31, 2047;

(c) each advance (an "Advance") made under the loan hereby authorized shall bear interest at a rate which is determined as follows:

(i) from the date of the Advance to (but excluding) the date of repayment the Advance shall bear interest at a per annum rate equivalent to the yield earned on

ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills immediately preceding the Reset Date for such ninety day period as determined by the Province;

(ii) in the event that moneys included in an Advance are used by the OFA for the purpose of funding loans to third parties (a "Third Party Loan"), the rate of interest payable by the OFA to the Province on the portion of the Advance so used shall be adjusted effective as of the date that the portion of the Advance is used to fund the Third Party Loan so that the per annum rate of interest payable by the OFA on such moneys is equivalent to the per annum rate of interest payable to the OFA under the Third Party Loan less an amount as may be determined by the Minister of Finance in respect of such Third Party Loan or a class of such Third Party Loans, until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently used to fund loans to third parties, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Province on that portion of the Advance used to fund such loan, and so on, until the Advance shall be repaid to the Province in full;

(iv) despite subparagraphs (ii) and (iii), in the event that no interest is payable to the OFA under a Third Party Loan, no interest shall be payable by the OFA on the portion of the Advance so used and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period.

(d) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(e) despite paragraph (b) of this Order, interest on any portion of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the OFA receives payment of interest under the relevant Third Party Loan;

(f) despite paragraph (b) of this Order, any portion of the principal of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall become payable only to the extent the OFA receives repayment of principal under the relevant Third Party Loan; and

(g) the loan hereby authorized shall be evidenced by a promissory note.

ATTENDU QUE le ministre des Finances peut, en vertu du paragraphe 22 (1) de la *Loi de 1993 sur le plan d'investissement* (la « Loi »), acheter des valeurs mobilières des personnes morales

créées en vertu du paragraphe 2 (1) de la Loi ou leur consentir des prêts selon les montants, aux moments et aux conditions que le lieutenant-gouverneur en conseil estime opportuns;

ATTENDU QUE l'Office ontarien de financement (l'« OOF ») est une personne morale créée en vertu du paragraphe 2 (1) de la Loi;

ATTENDU QUE, conformément au paragraphe 6 (3) de la Loi, le pouvoir qu'ont les personnes morales créées en vertu du paragraphe 2 (1) de la Loi de contracter des emprunts et d'émettre des valeurs mobilières, entre autres, ne peut être exercé qu'aux termes d'un règlement administratif approuvé par le ministre des Finances;

ATTENDU QUE l'OOF souhaite emprunter jusqu'à concurrence de deux milliards de dollars en monnaie légale du Canada du ministre des Finances et qu'il a été autorisé à le faire par un règlement administratif d'emprunt approuvé conformément à la Loi;

PAR CONSÉQUENT :

en vertu du paragraphe 22 (1) de la Loi, le ministre des Finances est autorisé à prêter un montant maximal de deux milliards de dollars en monnaie légale du Canada à l'OOF, aux conditions suivantes :

a) le prêt peut être consenti selon les montants et aux moments qui conviennent à l'OOF;

b) le remboursement des avances consenties au titre du prêt, plus les intérêts courus, peut à tout moment être effectué en totalité ou en partie, pourvu que le prêt et les intérêts courus soient entièrement remboursés au plus tard le 31 décembre 2047;

c) chaque avance (« avance ») faite au titre du prêt autorisé par les présentes portera intérêt au taux est fixé comme suit :

(i) de la date où elle a été faite jusqu'à la date (non comprise) de son remboursement, l'avance portera intérêt à un taux annuel équivalant au rendement gagné sur des bons du Trésor de la province de l'Ontario de quatre-vingt-dix jours à la date précédant la date de l'avance fixée par la province, pourvu que ce taux d'intérêt soit rajusté le dernier jour de chaque période de quatre-vingt-dix jours (« date de rajustement ») selon le rendement gagné sur de tels bons du Trésor immédiatement avant la date de rajustement pour une période de quatre-vingt-dix jours décidée par la province, si l'avance est impayée pendant plus de quatre-vingt-dix jours;

(ii) dans l'éventualité où l'OOF se servirait de sommes comprises dans une avance pour financer des prêts à des tiers, le taux d'intérêt à payer par l'OOF à la province sur la partie de l'avance ainsi utilisée sera rajusté à la date à laquelle la partie de l'avance sera utilisée pour le financement du prêt à un tiers de façon que le taux d'intérêt annuel à payer par l'OOF sur de telles sommes soit équivalent à ce dernier taux moins un montant que pourra fixer le ministre des Finances à l'égard d'un tel prêt ou d'une telle catégorie de prêt, jusqu'à la date (non comprise) à laquelle le prêt à un tiers sera remboursé, date à laquelle le taux d'intérêt établi au sous-alinéa (i) s'appliquera de nouveau à cette partie de l'avance;

(iii) dans l'éventualité où les sommes décrites au sous-alinéa (ii), une fois remboursées, seraient ultérieurement utilisées pour le financement de prêts à des tiers, le sous-alinéa (ii) s'appliquera de nouveau dans l'établissement du taux d'intérêt à payer à la province sur la partie de l'avance utilisée à cette fin, et ainsi de suite, jusqu'à ce que l'avance ait été remboursée intégralement à la province;

(iv) malgré les sous-alinéas (ii) et (iii), dans l'éventualité où aucun intérêt ne serait payable à l'OOF au titre d'un prêt à un tiers, aucun intérêt ne sera à payer par l'OOF sur la partie de l'avance ainsi utilisée et dans la mesure où les conditions du prêt à un tiers prévoient le report du paiement d'intérêts courus pour une période, le paiement d'intérêts au titre d'une avance ou d'une partie d'une avance sera également reporté pour une période d'égale durée;

d) l'intérêt payable relativement à toute période de moins d'un an sera calculé en fonction du nombre de jours réellement compris dans cette période, par rapport à une année comptant 365 jours;

e) par dérogation à l'alinéa a) ci-dessus, l'intérêt sur toute partie d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers est calculé comme il est indiqué ci-dessus, mais cet intérêt devient payable uniquement dans la mesure où l'OOF reçoit un paiement d'intérêts au titre du prêt à un tiers;

f) par dérogation à l'alinéa b) ci-dessus, toute partie du capital d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers devient payable uniquement dans la mesure où l'OOF reçoit un remboursement du capital au titre du prêt à un tiers

g) le prêt autorisé en vertu des présentes sera attesté par un billet à ordre.

Recommended: Minister of Finance
Recommandé par : Le ministre des Finances

Deb Matthews

Concurred: Chair of Cabinet
Appuyé par : Le président/la présidente du Conseil des ministres

Approved and Ordered:
Approuvé et décrété le : JUN 28 2017

Lieutenant Governor
La lieutenante-gouverneure

From:	Caroline Swerdlyk
To:	William Tan
Cc:	Lisa Stein; Sarah Harris; Sarah Neville; Tobias P. Whitfield (MOF)
Subject:	OFHP OFA Prom note (draft) + $2Billion OIC
Date:	Thursday, August 31, 2017 12:12:35 PM
Attachments:	OFHP OFA borrow from Province Prom Note v3 (OFA legal markup).doc OC-1279-2017.pdf

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Thanks,

Caroline

Caroline Swerdlyk

Legal Counsel

ext. 5-8141

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Promissory Note

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(i) Two Billion Dollars; and

(ii) the aggregate unpaid principal balance of all advances made by the Lender as recorded on the reverse of this note or on any attachment described below;

at such time and on such other terms and conditions including the payment of interest as follows;

(a) the Borrower shall be entitled to advances of the loan (an "Advance") in such amounts and at such times as it requires provided that the aggregate amount advanced shall not exceed Two Billion Dollars;

(b) the Borrower shall be entitled to repay Advances either in whole or in part and at such time or times as it determines provided that all Advances plus any accrued interest shall be fully repaid by December 31, 2047;

(c) the Borrower shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Two Billion Dollars;

(d) the Borrower shall pay to the Lender interest on each Advance at a rate which is determined as follows

(i) from the date of Advance to (but excluding) the date of repayment the Borrower shall pay to the Lender interest on the Advance at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days ~~or longer~~, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province

of Ontario treasury bills immediately preceding ~~on~~ the Reset Date as determined by the Province;

(ii) in the event that moneys included in an Advance are subsequently loaned by the Borrower to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the Borrower to the Lender on the portion of the Advance so loaned shall be adjusted at the option of the OFA effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the Borrower on such moneys is equivalent to either:

(A) the per annum rate of interest payable to the Borrower under the Third Party Loan, or

(B) the per annum rate of interest payable to the Borrower under the Third Party Loan less an amount not exceeding 25 basis points,

rather than the rate specified in subparagraph (i), until (but excluding) the date on which the Third Party Loan is repaid to the OFA, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Lender on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full;

(e) despite subparagraphs (c)(ii) and (iii) in the event that no interest is payable to the Borrower under a Third Party Loan, no- interest shall be payable by the Borrower on the portion of the Advance so loaned and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period;

Commented [WT1]: Lisa, what type of additional written authorization is required for the Minister to specify 'the amount determined by the Minister of Finance" or is this handled by the Directive that is being drafted?

(f) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(g) despite paragraph (b), interest on any portion of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the Borrower receives payment of interest under the relevant Third Party Loan; and

(h) despite paragraph (b), any portion of the principal of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall become payable only to the extent the Borrower receives repayment of principal under the relevant Third Party Loan.

The undersigned authorizes the Lender to record on the reverse of this note or on any attachment to this note all advances, repayments and prepayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the Lender on this note or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the Lender to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount of the Advances and interest.

Date as of the ~~1st~~ day of ~~July~~, 2017.

Commented [WT2]: Lisa, what date should we use?

Ontario Financing Authority

Per:

Gadi Mayman

Chief Executive Officer

$2 BILLION OF A PROMISSORY NOTE TO PROVINCE OF ONTARIO, JULY 1, 2017

Date	PRINCIPAL ADVANCED	RATE	PAYMENT DATE	INTEREST AMOUNT	AMOUNT OF		NOTATION MADE BY
					REPAYMENT OF PRINCIPAL	PAYMENT OF INTEREST	

Executive Council of Ontario/Conseil exécutif de l'Ontario **[Bilingual]**

Ontario

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

Sur la recommandation de la personne soussignée, la lieutenante-gouverneure de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

WHEREAS pursuant to subsection 22(1) of the *Capital Investment Plan Act, 1993* (the "Act"), the Minister of Finance may purchase securities of or make loans to corporations established under subsection 2(1) of the Act in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council considers expedient;

AND WHEREAS the Ontario Financing Authority (the "OFA") is a corporation established under subsection 2(1) of the Act;

AND WHEREAS pursuant to subsection 6(3) of the Act, the power of a corporation established under subsection 2(1) of the Act to borrow and issue securities, among other things, may only be exercised under the authority of a by-law that has been approved by the Minister of Finance;

AND WHEREAS the OFA wishes to borrow up to Two Billion Dollars in lawful money of Canada from the Minister of Finance and has been authorized to do so by a borrowing by-law approved in accordance with the Act;

THEREFORE:

Pursuant to subsection 22 (1) of the Act, the Minister of Finance is authorized to lend a maximum of Two Billion Dollars in lawful money of Canada to the OFA on the following terms and conditions:

(a) the loan may be advanced in such amounts and at such time or times as required by the OFA;

(b) repayment of advances made under the loan plus accrued interest may be made in whole or in part at any time provided that the loan plus any accrued interest shall be fully repaid by December 31, 2047;

(c) each advance (an "Advance") made under the loan hereby authorized shall bear interest at a rate which is determined as follows:

(i) from the date of the Advance to (but excluding) the date of repayment the Advance shall bear interest at a per annum rate equivalent to the yield earned on

ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills immediately preceding the Reset Date for such ninety day period as determined by the Province;

(ii) in the event that moneys included in an Advance are used by the OFA for the purpose of funding loans to third parties (a "Third Party Loan"), the rate of interest payable by the OFA to the Province on the portion of the Advance so used shall be adjusted effective as of the date that the portion of the Advance is used to fund the Third Party Loan so that the per annum rate of interest payable by the OFA on such moneys is equivalent to the per annum rate of interest payable to the OFA under the Third Party Loan less an amount as may be determined by the Minister of Finance in respect of such Third Party Loan or a class of such Third Party Loans, until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently used to fund loans to third parties, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Province on that portion of the Advance used to fund such loan, and so on, until the Advance shall be repaid to the Province in full;

(iv) despite subparagraphs (ii) and (iii), in the event that no interest is payable to the OFA under a Third Party Loan, no interest shall be payable by the OFA on the portion of the Advance so used and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period.

(d) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(e) despite paragraph (b) of this Order, interest on any portion of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the OFA receives payment of interest under the relevant Third Party Loan;

(f) despite paragraph (b) of this Order, any portion of the principal of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall become payable only to the extent the OFA receives repayment of principal under the relevant Third Party Loan; and

(g) the loan hereby authorized shall be evidenced by a promissory note.

ATTENDU QUE le ministre des Finances peut, en vertu du paragraphe 22 (1) de la *Loi de 1993 sur le plan d'investissement* (la « Loi »), acheter des valeurs mobilières des personnes morales

créées en vertu du paragraphe 2 (1) de la Loi ou leur consentir des prêts selon les montants, aux moments et aux conditions que le lieutenant-gouverneur en conseil estime opportuns;

ATTENDU QUE l'Office ontarien de financement (l'« OOF ») est une personne morale créée en vertu du paragraphe 2 (1) de la Loi;

ATTENDU QUE, conformément au paragraphe 6 (3) de la Loi, le pouvoir qu'ont les personnes morales créées en vertu du paragraphe 2 (1) de la Loi de contracter des emprunts et d'émettre des valeurs mobilières, entre autres, ne peut être exercé qu'aux termes d'un règlement administratif approuvé par le ministre des Finances;

ATTENDU QUE l'OOF souhaite emprunter jusqu'à concurrence de deux milliards de dollars en monnaie légale du Canada du ministre des Finances et qu'il a été autorisé à le faire par un règlement administratif d'emprunt approuvé conformément à la Loi;

PAR CONSÉQUENT :

en vertu du paragraphe 22 (1) de la Loi, le ministre des Finances est autorisé à prêter un montant maximal de deux milliards de dollars en monnaie légale du Canada à l'OOF, aux conditions suivantes :

a) le prêt peut être consenti selon les montants et aux moments qui conviennent à l'OOF;

b) le remboursement des avances consenties au titre du prêt, plus les intérêts courus, peut à tout moment être effectué en totalité ou en partie, pourvu que le prêt et les intérêts courus soient entièrement remboursés au plus tard le 31 décembre 2047;

c) chaque avance (« avance ») faite au titre du prêt autorisé par les présentes portera intérêt au taux est fixé comme suit :

(i) de la date où elle a été faite jusqu'à la date (non comprise) de son remboursement, l'avance portera intérêt à un taux annuel équivalant au rendement gagné sur des bons du Trésor de la province de l'Ontario de quatre-vingt-dix jours à la date précédant la date de l'avance fixée par la province, pourvu que ce taux d'intérêt soit rajusté le dernier jour de chaque période de quatre-vingt-dix jours (« date de rajustement ») selon le rendement gagné sur de tels bons du Trésor immédiatement avant la date de rajustement pour une période de quatre-vingt-dix jours décidée par la province, si l'avance est impayée pendant plus de quatre-vingt-dix jours;

(ii) dans l'éventualité où l'OOF se servirait de sommes comprises dans une avance pour financer des prêts à des tiers, le taux d'intérêt à payer par l'OOF à la province sur la partie de l'avance ainsi utilisée sera rajusté à la date à laquelle la partie de l'avance sera utilisée pour le financement du prêt à un tiers de façon que le taux d'intérêt annuel à payer par l'OOF sur de telles sommes soit équivalent à ce dernier taux moins un montant que pourra fixer le ministre des Finances à l'égard d'un tel prêt ou d'une telle catégorie de prêt, jusqu'à la date (non comprise) à laquelle le prêt à un tiers sera remboursé, date à laquelle le taux d'intérêt établi au sous-alinéa (i) s'appliquera de nouveau à cette partie de l'avance;

(iii) dans l'éventualité où les sommes décrites au sous-alinéa (ii), une fois remboursées, seraient ultérieurement utilisées pour le financement de prêts à des tiers, le sous-alinéa (ii) s'appliquera de nouveau dans l'établissement du taux d'intérêt à payer à la province sur la partie de l'avance utilisée à cette fin, et ainsi de suite, jusqu'à ce que l'avance ait été remboursée intégralement à la province;

(iv) malgré les sous-alinéas (ii) et (iii), dans l'éventualité où aucun intérêt ne serait payable à l'OOF au titre d'un prêt à un tiers, aucun intérêt ne sera à payer par l'OOF sur la partie de l'avance ainsi utilisée et dans la mesure où les conditions du prêt à un tiers prévoient le report du paiement d'intérêts courus pour une période, le paiement d'intérêts au titre d'une avance ou d'une partie d'une avance sera également reporté pour une période d'égale durée;

d) l'intérêt payable relativement à toute période de moins d'un an sera calculé en fonction du nombre de jours réellement compris dans cette période, par rapport à une année comptant 365 jours;

e) par dérogation à l'alinéa a) ci-dessus, l'intérêt sur toute partie d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers est calculé comme il est indiqué ci-dessus, mais cet intérêt devient payable uniquement dans la mesure où l'OOF reçoit un paiement d'intérêts au titre du prêt à un tiers;

f) par dérogation à l'alinéa b) ci-dessus, toute partie du capital d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers devient payable uniquement dans la mesure où l'OOF reçoit un remboursement du capital au titre du prêt à un tiers

g) le prêt autorisé en vertu des présentes sera attesté par un billet à ordre.

Recommended: Minister of Finance
Recommandé par : Le ministre des Finances

Deb Matthews

Concurred: Chair of Cabinet
Appuyé par : Le président/la présidente du Conseil des ministres

Approved and Ordered:
Approuvé et décrété le : JUN 28 2017

Lieutenant Governor
La lieutenante-gouverneure

From:	Andrea Dalgarno
To:	Bonnie Zhang
Cc:	San Rajaratnam; Sarah Harris; Bruno Amara
Subject:	OIC 1279-2017 (CIPA $2billion, Expiry Dec 31,2047)
Date:	Friday, October 20, 2017 10:54:52 AM
Attachments:	Total OIC Amount (June 30 2017).xlsx OIC 1279-2017 ($2 Billion OFA for IESO).pdf

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Hi Bonnie,

We provide Accounting (San) with the attached report (Total OIC Amount) as it pertains to authority under OFA OIC's. My understanding is that he uses it in a note to the OFA Financial Statements.

I am of the understanding that there was an OIC approved (OIC 1279-2017- attached) in relation to the Fair Hydro Plan which gives the OFA additional authority of $2billion that expires Dec 31, 2047.

Do you know if this OIC should be included in the Total OIC Amount used by Accounting in the note to the OFA's financial statements? Would doing so be in any way contradictory in terms of the OFA Annual lending directive.

Regards,

Andrea Dalgarno
Documentation & Analysis Specialist
Ontario Financing Authority
Tel 416-212-7451

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OIC Summary

Regular Loans	
Under OIC 675/97 -	
Authorized:	$2,160,000,000
Repayment date:	June 1, 2041
Under OIC 767/99 -	
Authorized:	$656,000,000
Repayment date:	June 1, 2041
Under OIC 1883/2006 - SB Loans	
Authorized:	$800,000,000
Repayment date:	June 1, 2041
Under OIC 2144/2007	
Authorized:	$2,000,000,000
Repayment date:	June 1, 2041
Under OIC 300/2010	
Authorized:	$1,800,000,000
Repayment date:	May 15, 2036
Under OIC 163/2012	
Authorized:	$1,700,000,000
Repayment date:	Year 2040
Under OIC 354/2014	
Authorized:	$700,000,000
Repayment date:	March 5, 2044
Auto Loans	**Total OIC Amount**
OIC 2154/2008	$1,700,000,000
OIC 678/2009	$1,100,000,000
OIC 975/2009	$4,300,000,000
Total Amount	$16,916,000,000

School Board Loans

School Board Loans

School Board Loans

	Amount Issued		Remaining Authority
$	1,700,000,000.00	$	-
$	480,818,602.74	$	619,181,397.26
$	1,983,345,267.75	$	2,316,654,732.25

Executive Council of Ontario/Conseil exécutif de l'Ontario **[Bilingual]**

Ontario

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

Sur la recommandation de la personne soussignée, la lieutenante-gouverneure de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

WHEREAS pursuant to subsection 22(1) of the *Capital Investment Plan Act, 1993* (the "Act"), the Minister of Finance may purchase securities of or make loans to corporations established under subsection 2(1) of the Act in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council considers expedient;

AND WHEREAS the Ontario Financing Authority (the "OFA") is a corporation established under subsection 2(1) of the Act;

AND WHEREAS pursuant to subsection 6(3) of the Act, the power of a corporation established under subsection 2(1) of the Act to borrow and issue securities, among other things, may only be exercised under the authority of a by-law that has been approved by the Minister of Finance;

AND WHEREAS the OFA wishes to borrow up to Two Billion Dollars in lawful money of Canada from the Minister of Finance and has been authorized to do so by a borrowing by-law approved in accordance with the Act;

THEREFORE:

Pursuant to subsection 22 (1) of the Act, the Minister of Finance is authorized to lend a maximum of Two Billion Dollars in lawful money of Canada to the OFA on the following terms and conditions:

(a) the loan may be advanced in such amounts and at such time or times as required by the OFA;

(b) repayment of advances made under the loan plus accrued interest may be made in whole or in part at any time provided that the loan plus any accrued interest shall be fully repaid by December 31, 2047;

(c) each advance (an "Advance") made under the loan hereby authorized shall bear interest at a rate which is determined as follows:

(i) from the date of the Advance to (but excluding) the date of repayment the Advance shall bear interest at a per annum rate equivalent to the yield earned on

ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills immediately preceding the Reset Date for such ninety day period as determined by the Province;

(ii) in the event that moneys included in an Advance are used by the OFA for the purpose of funding loans to third parties (a "Third Party Loan"), the rate of interest payable by the OFA to the Province on the portion of the Advance so used shall be adjusted effective as of the date that the portion of the Advance is used to fund the Third Party Loan so that the per annum rate of interest payable by the OFA on such moneys is equivalent to the per annum rate of interest payable to the OFA under the Third Party Loan less an amount as may be determined by the Minister of Finance in respect of such Third Party Loan or a class of such Third Party Loans, until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently used to fund loans to third parties, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Province on that portion of the Advance used to fund such loan, and so on, until the Advance shall be repaid to the Province in full;

(iv) despite subparagraphs (ii) and (iii), in the event that no interest is payable to the OFA under a Third Party Loan, no interest shall be payable by the OFA on the portion of the Advance so used and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period.

(d) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(e) despite paragraph (b) of this Order, interest on any portion of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the OFA receives payment of interest under the relevant Third Party Loan;

(f) despite paragraph (b) of this Order, any portion of the principal of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall become payable only to the extent the OFA receives repayment of principal under the relevant Third Party Loan; and

(g) the loan hereby authorized shall be evidenced by a promissory note.

ATTENDU QUE le ministre des Finances peut, en vertu du paragraphe 22 (1) de la *Loi de 1993 sur le plan d'investissement* (la « Loi »), acheter des valeurs mobilières des personnes morales

créées en vertu du paragraphe 2 (1) de la Loi ou leur consentir des prêts selon les montants, aux moments et aux conditions que le lieutenant-gouverneur en conseil estime opportuns;

ATTENDU QUE l'Office ontarien de financement (l'« OOF ») est une personne morale créée en vertu du paragraphe 2 (1) de la Loi;

ATTENDU QUE, conformément au paragraphe 6 (3) de la Loi, le pouvoir qu'ont les personnes morales créées en vertu du paragraphe 2 (1) de la Loi de contracter des emprunts et d'émettre des valeurs mobilières, entre autres, ne peut être exercé qu'aux termes d'un règlement administratif approuvé par le ministre des Finances;

ATTENDU QUE l'OOF souhaite emprunter jusqu'à concurrence de deux milliards de dollars en monnaie légale du Canada du ministre des Finances et qu'il a été autorisé à le faire par un règlement administratif d'emprunt approuvé conformément à la Loi;

PAR CONSÉQUENT :

en vertu du paragraphe 22 (1) de la Loi, le ministre des Finances est autorisé à prêter un montant maximal de deux milliards de dollars en monnaie légale du Canada à l'OOF, aux conditions suivantes :

a) le prêt peut être consenti selon les montants et aux moments qui conviennent à l'OOF;

b) le remboursement des avances consenties au titre du prêt, plus les intérêts courus, peut à tout moment être effectué en totalité ou en partie, pourvu que le prêt et les intérêts courus soient entièrement remboursés au plus tard le 31 décembre 2047;

c) chaque avance (« avance ») faite au titre du prêt autorisé par les présentes portera intérêt au taux est fixé comme suit :

(i) de la date où elle a été faite jusqu'à la date (non comprise) de son remboursement, l'avance portera intérêt à un taux annuel équivalant au rendement gagné sur des bons du Trésor de la province de l'Ontario de quatre-vingt-dix jours à la date précédant la date de l'avance fixée par la province, pourvu que ce taux d'intérêt soit rajusté le dernier jour de chaque période de quatre-vingt-dix jours (« date de rajustement ») selon le rendement gagné sur de tels bons du Trésor immédiatement avant la date de rajustement pour une période de quatre-vingt-dix jours décidée par la province, si l'avance est impayée pendant plus de quatre-vingt-dix jours;

(ii) dans l'éventualité où l'OOF se servirait de sommes comprises dans une avance pour financer des prêts à des tiers, le taux d'intérêt à payer par l'OOF à la province sur la partie de l'avance ainsi utilisée sera rajusté à la date à laquelle la partie de l'avance sera utilisée pour le financement du prêt à un tiers de façon que le taux d'intérêt annuel à payer par l'OOF sur de telles sommes soit équivalent à ce dernier taux moins un montant que pourra fixer le ministre des Finances à l'égard d'un tel prêt ou d'une telle catégorie de prêt, jusqu'à la date (non comprise) à laquelle le prêt à un tiers sera remboursé, date à laquelle le taux d'intérêt établi au sous-alinéa (i) s'appliquera de nouveau à cette partie de l'avance;

(iii) dans l'éventualité où les sommes décrites au sous-alinéa (ii), une fois remboursées, seraient ultérieurement utilisées pour le financement de prêts à des tiers, le sous-alinéa (ii) s'appliquera de nouveau dans l'établissement du taux d'intérêt à payer à la province sur la partie de l'avance utilisée à cette fin, et ainsi de suite, jusqu'à ce que l'avance ait été remboursée intégralement à la province;

(iv) malgré les sous-alinéas (ii) et (iii), dans l'éventualité où aucun intérêt ne serait payable à l'OOF au titre d'un prêt à un tiers, aucun intérêt ne sera à payer par l'OOF sur la partie de l'avance ainsi utilisée et dans la mesure où les conditions du prêt à un tiers prévoient le report du paiement d'intérêts courus pour une période, le paiement d'intérêts au titre d'une avance ou d'une partie d'une avance sera également reporté pour une période d'égale durée;

d) l'intérêt payable relativement à toute période de moins d'un an sera calculé en fonction du nombre de jours réellement compris dans cette période, par rapport à une année comptant 365 jours;

e) par dérogation à l'alinéa a) ci-dessus, l'intérêt sur toute partie d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers est calculé comme il est indiqué ci-dessus, mais cet intérêt devient payable uniquement dans la mesure où l'OOF reçoit un paiement d'intérêts au titre du prêt à un tiers;

f) par dérogation à l'alinéa b) ci-dessus, toute partie du capital d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers devient payable uniquement dans la mesure où l'OOF reçoit un remboursement du capital au titre du prêt à un tiers

g) le prêt autorisé en vertu des présentes sera attesté par un billet à ordre.

Recommended: Minister of Finance
Recommandé par : Le ministre des Finances

Deb Matthews

Concurred: Chair of Cabinet
Appuyé par : Le président/la présidente du Conseil des ministres

Approved and Ordered:
Approuvé et décrété le : JUN 28 2017

Lieutenant Governor
La lieutenante-gouverneure

From:	Andrea Dalgarno
To:	Bonnie Zhang
Cc:	San Rajaratnam; Sarah Harris; Bruno Amara
Subject:	OIC 1279-2017 (CIPA $2billion, Expiry Dec 31,2047)
Date:	Friday, October 20, 2017 10:54:52 AM
Attachments:	Total OIC Amount (June 30 2017).xlsx OIC 1279-2017 ($2 Billion OFA for IESO).pdf

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Regards,

Andrea Dalgarno
Documentation & Analysis Specialist
Ontario Financing Authority
Tel 416-212-7451

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OIC Summary

Regular Loans	
Under OIC 675/97 -	
Authorized:	$2,160,000,000
Repayment date:	June 1, 2041
Under OIC 767/99 -	
Authorized:	$656,000,000
Repayment date:	June 1, 2041
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Authorized:	$800,000,000
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Authorized:	$2,000,000,000
Repayment date:	June 1, 2041
Under OIC 300/2010	
Authorized:	$1,800,000,000
Repayment date:	May 15, 2036
Under OIC 163/2012	
Authorized:	$1,700,000,000
Repayment date:	Year 2040
Under OIC 354/2014	
Authorized:	$700,000,000
Repayment date:	March 5, 2044
Auto Loans	**Total OIC Amount**
OIC 2154/2008	$1,700,000,000
OIC 678/2009	$1,100,000,000
OIC 975/2009	$4,300,000,000
Total Amount	$16,916,000,000

School Board Loans

School Board Loans

School Board Loans

	Amount Issued		Remaining Authority
$	1,700,000,000.00	$	-
$	480,818,602.74	$	619,181,397.26
$	1,983,345,267.75	$	2,316,654,732.25

Executive Council of Ontario/Conseil exécutif de l'Ontario **[Bilingual]**

Ontario

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

Sur la recommandation de la personne soussignée, la lieutenante-gouverneure de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

WHEREAS pursuant to subsection 22(1) of the *Capital Investment Plan Act, 1993* (the "Act"), the Minister of Finance may purchase securities of or make loans to corporations established under subsection 2(1) of the Act in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council considers expedient;

AND WHEREAS the Ontario Financing Authority (the "OFA") is a corporation established under subsection 2(1) of the Act;

AND WHEREAS pursuant to subsection 6(3) of the Act, the power of a corporation established under subsection 2(1) of the Act to borrow and issue securities, among other things, may only be exercised under the authority of a by-law that has been approved by the Minister of Finance;

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(b) repayment of advances made under the loan plus accrued interest may be made in whole or in part at any time provided that the loan plus any accrued interest shall be fully repaid by December 31, 2047;

(c) each advance (an "Advance") made under the loan hereby authorized shall bear interest at a rate which is determined as follows:

(i) from the date of the Advance to (but excluding) the date of repayment the Advance shall bear interest at a per annum rate equivalent to the yield earned on

ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills immediately preceding the Reset Date for such ninety day period as determined by the Province;

(ii) in the event that moneys included in an Advance are used by the OFA for the purpose of funding loans to third parties (a "Third Party Loan"), the rate of interest payable by the OFA to the Province on the portion of the Advance so used shall be adjusted effective as of the date that the portion of the Advance is used to fund the Third Party Loan so that the per annum rate of interest payable by the OFA on such moneys is equivalent to the per annum rate of interest payable to the OFA under the Third Party Loan less an amount as may be determined by the Minister of Finance in respect of such Third Party Loan or a class of such Third Party Loans, until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently used to fund loans to third parties, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Province on that portion of the Advance used to fund such loan, and so on, until the Advance shall be repaid to the Province in full;

(iv) despite subparagraphs (ii) and (iii), in the event that no interest is payable to the OFA under a Third Party Loan, no interest shall be payable by the OFA on the portion of the Advance so used and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period.

(d) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(e) despite paragraph (b) of this Order, interest on any portion of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the OFA receives payment of interest under the relevant Third Party Loan;

(f) despite paragraph (b) of this Order, any portion of the principal of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall become payable only to the extent the OFA receives repayment of principal under the relevant Third Party Loan; and

(g) the loan hereby authorized shall be evidenced by a promissory note.

ATTENDU QUE le ministre des Finances peut, en vertu du paragraphe 22 (1) de la *Loi de 1993 sur le plan d'investissement* (la « Loi »), acheter des valeurs mobilières des personnes morales

créées en vertu du paragraphe 2 (1) de la Loi ou leur consentir des prêts selon les montants, aux moments et aux conditions que le lieutenant-gouverneur en conseil estime opportuns;

ATTENDU QUE l'Office ontarien de financement (l'« OOF ») est une personne morale créée en vertu du paragraphe 2 (1) de la Loi;

ATTENDU QUE, conformément au paragraphe 6 (3) de la Loi, le pouvoir qu'ont les personnes morales créées en vertu du paragraphe 2 (1) de la Loi de contracter des emprunts et d'émettre des valeurs mobilières, entre autres, ne peut être exercé qu'aux termes d'un règlement administratif approuvé par le ministre des Finances;

ATTENDU QUE l'OOF souhaite emprunter jusqu'à concurrence de deux milliards de dollars en monnaie légale du Canada du ministre des Finances et qu'il a été autorisé à le faire par un règlement administratif d'emprunt approuvé conformément à la Loi;

PAR CONSÉQUENT :

en vertu du paragraphe 22 (1) de la Loi, le ministre des Finances est autorisé à prêter un montant maximal de deux milliards de dollars en monnaie légale du Canada à l'OOF, aux conditions suivantes :

a) le prêt peut être consenti selon les montants et aux moments qui conviennent à l'OOF;

b) le remboursement des avances consenties au titre du prêt, plus les intérêts courus, peut à tout moment être effectué en totalité ou en partie, pourvu que le prêt et les intérêts courus soient entièrement remboursés au plus tard le 31 décembre 2047;

c) chaque avance (« avance ») faite au titre du prêt autorisé par les présentes portera intérêt au taux est fixé comme suit :

(i) de la date où elle a été faite jusqu'à la date (non comprise) de son remboursement, l'avance portera intérêt à un taux annuel équivalant au rendement gagné sur des bons du Trésor de la province de l'Ontario de quatre-vingt-dix jours à la date précédant la date de l'avance fixée par la province, pourvu que ce taux d'intérêt soit rajusté le dernier jour de chaque période de quatre-vingt-dix jours (« date de rajustement ») selon le rendement gagné sur de tels bons du Trésor immédiatement avant la date de rajustement pour une période de quatre-vingt-dix jours décidée par la province, si l'avance est impayée pendant plus de quatre-vingt-dix jours;

(ii) dans l'éventualité où l'OOF se servirait de sommes comprises dans une avance pour financer des prêts à des tiers, le taux d'intérêt à payer par l'OOF à la province sur la partie de l'avance ainsi utilisée sera rajusté à la date à laquelle la partie de l'avance sera utilisée pour le financement du prêt à un tiers de façon que le taux d'intérêt annuel à payer par l'OOF sur de telles sommes soit équivalent à ce dernier taux moins un montant que pourra fixer le ministre des Finances à l'égard d'un tel prêt ou d'une telle catégorie de prêt, jusqu'à la date (non comprise) à laquelle le prêt à un tiers sera remboursé, date à laquelle le taux d'intérêt établi au sous-alinéa (i) s'appliquera de nouveau à cette partie de l'avance;

(iii) dans l'éventualité où les sommes décrites au sous-alinéa (ii), une fois remboursées, seraient ultérieurement utilisées pour le financement de prêts à des tiers, le sous-alinéa (ii) s'appliquera de nouveau dans l'établissement du taux d'intérêt à payer à la province sur la partie de l'avance utilisée à cette fin, et ainsi de suite, jusqu'à ce que l'avance ait été remboursée intégralement à la province;

(iv) malgré les sous-alinéas (ii) et (iii), dans l'éventualité où aucun intérêt ne serait payable à l'OOF au titre d'un prêt à un tiers, aucun intérêt ne sera à payer par l'OOF sur la partie de l'avance ainsi utilisée et dans la mesure où les conditions du prêt à un tiers prévoient le report du paiement d'intérêts courus pour une période, le paiement d'intérêts au titre d'une avance ou d'une partie d'une avance sera également reporté pour une période d'égale durée;

d) l'intérêt payable relativement à toute période de moins d'un an sera calculé en fonction du nombre de jours réellement compris dans cette période, par rapport à une année comptant 365 jours;

e) par dérogation à l'alinéa a) ci-dessus, l'intérêt sur toute partie d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers est calculé comme il est indiqué ci-dessus, mais cet intérêt devient payable uniquement dans la mesure où l'OOF reçoit un paiement d'intérêts au titre du prêt à un tiers;

f) par dérogation à l'alinéa b) ci-dessus, toute partie du capital d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers devient payable uniquement dans la mesure où l'OOF reçoit un remboursement du capital au titre du prêt à un tiers

g) le prêt autorisé en vertu des présentes sera attesté par un billet à ordre.

Recommended: Minister of Finance
Recommandé par : Le ministre des Finances

Deb Matthews

Concurred: Chair of Cabinet
Appuyé par : Le président/la présidente du Conseil des ministres

Approved and Ordered:
Approuvé et décrété le : JUN 28 2017

Lieutenant Governor
La lieutenante-gouverneure

From: William Tan
To: Sarah Harris
Subject: OLMS FHP Roll-over Challenges
Date: Monday, October 02, 2017 4:03:31 PM

Hi Sarah,

I spoke to Carlos and Risa with regards to the logistics for the October 21 advancement. I have numbered their challenges in order to our proposal of the roll-over. Let's discuss these challenges tomorrow:

1. Allowing the Existing Credit Facility outstanding balance amount to mature.
2. Request for advancement under the new Borrowing Notice $2 Billion FHP Credit Facility Agreement.
3. Effectively roll-over the balance.

Rural or Remote Electricity Rate Protection Variance

Loan Limit: $475,000,000.

Outstanding: $9,841,878.70

Regulated Price Plan Variance

Loan Limit: $975,000,000.00

Outstanding: $604,963,600.47

Carlos:

1. You cannot set-up an identical account by the same name. Each account must have a different name. If you create a new account with bring over the balance, you would lose the advancement and repayment history. Carlos, proposed to increase the $975,000,000 account limit to over $1 Billion to accommodate the $604,963,600.47 o/s that is likely to exceed the $975 million limit.

Risa:

1. Raising the account limit on OLMS is not our decision to make. Electricity Finance should make the decision on this.
2. Risa identified that Amending Agreement No. 10, paragraph 4 "Use of Proceeds" refers to Electricity act 1998 and FHP Credit Facility refers to the Ontario Fair Hydro Plan Act.
3. Suggested that John Kim (Electricity Finance) manage rollover logistics and screen/appropriateness/enter new the loans into the system going forward. (in comparison Carlos does not screen/review, he simply enters all requests as long as there is room under the facility).
   Example: Corporate Finance enters school loans, colleges and universities.
   Electricity Finance enters OLG loans.
4. The IESO Credit Facility was a hold-over from the PBFS days. Other areas have taken ownership of entering their own loans. Settlements does not offer any additional expertise in terms of best solutions in setting up/rolling over FHP amounts into the new FHP. Settlement showed Salman the set-up for the Existing Facility as $475,000,000 RRRP and $975,000,000,000 RPP even though it had a limit of only $975,000,000. Salman signed-off. John Kim's group should be the leading and decision making for the set-up in OLMS.

Will:

1. Perhaps we can keep the existing account and increase the limit and set-up a new account with a slightly different name because the Existing Credit Facility allows for FHP related and non FHP related advances. Risa, raises a good point that Electricity Finance should be

brought-in to make a decision on this.

2. I communicated to Risa the both facilities allow for FHP related uses. Fair comment by her. How can she be expected to know what is an acceptable advancement/loans.
3. Fair comment by Risa. I agree that the Borrowing Notice suitability subcategory screening, loan limit management, loan entering and loan set-up in OLMS should be led by Electricity Finance and roll-over logistics.
4. Perhaps Electricity Finance should set-up the limits in OLMS.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: William Tan
To: Sarah Harris
Subject: OLMS FHP Roll-over Challenges
Date: Monday, October 02, 2017 4:03:31 PM

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Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
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william.tan@ofina.on.ca

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From: Ryan Blackbyrne
To: Sarah Harris; Kelly Listoe
Subject: OPG and IESO

From: John Kim
To: Sarah Harris
Subject: OPG credit facility
Date: Tuesday, September 12, 2017 10:16:07 AM

Hi Sarah,
Could you send me the amendment or details of the amendment to the OPG credit facility? I understand that an amendment has been finalized?
Thanks,
John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

From:	William Tan
To:	Tobias P. Whitfield (MOF); Lisa Stein
Cc:	Sarah Harris
Subject:	Promissory note between Province of Ontario and OFA for $475M
Date:	Thursday, November 02, 2017 3:43:25 PM
Attachments:	$475M Amending Agreement No. 10, OFA borrow from Province Prom Note.doc $2B OFHP OFA borrow from Province Prom Note.doc

Hello Toby and Lisa,

Please review and comment on the promissory note between the Province of Ontario and the OFA for the new reduced amount of $475M. I've included the previously approved $2B FHP promissory note for comparison purposes.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
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Promissory Note

For value received, the Ontario Financing Authority (the "Borrower") promises to pay to Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, Province of Ontario (the "Lender") at the City of Toronto in lawful money of Canada, the lesser of:

(i) Four Hundred Seventy-Five Million Dollars~~Two Billion Dollars~~; and

(ii) the aggregate unpaid principal balance of all advances made by the Lender as recorded on the reverse of this note or on any attachment described below;

at such time and on such other terms and conditions including the payment of interest as follows;

(a) the Borrower shall be entitled to advances of the loan (an "Advance") in such amounts and at such times as it requires provided that the aggregate amount advanced shall not exceed Four Hundred Seventy-Five Million Dollars~~Two Billion Dollars~~;

(b) the Borrower shall be entitled to repay Advances either in whole or in part and at such time or times as it determines provided that all Advances plus any accrued interest shall be fully repaid by ~~December 31, 2047~~January 1, 2041;

(c) the Borrower shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Four Hundred Seventy-Five Million Dollars~~Two Billion Dollars~~;

(d) the Borrower shall pay to the Lender interest on each Advance at a rate which is determined as follows

(i) from the date of Advance to (but excluding) the date of repayment the Borrower shall pay to the Lender interest on the Advance at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day

period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills immediately preceding the Reset Date as determined by the Province;

(ii) in the event that moneys included in an Advance are subsequently loaned by the Borrower to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the Borrower to the Lender on the portion of the Advance so loaned shall be adjusted at the option of the OFA effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the Borrower on such moneys is equivalent to either:

(A) the per annum rate of interest payable to the Borrower under the Third Party Loan, or

(B) the per annum rate of interest payable to the Borrower under the Third Party Loan less an amount not exceeding 25 basis points,

rather than the rate specified in subparagraph (i), until (but excluding) the date on which the Third Party Loan is repaid to the OFA, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Lender on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full;

(e) despite subparagraphs (c)(ii) and (iii) in the event that no interest is payable to the Borrower under a Third Party Loan, no- interest shall be payable by the Borrower on the portion of the Advance so loaned and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period;

(f) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(g) despite paragraph (b), interest on any portion of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the Borrower receives payment of interest under the relevant Third Party Loan; and

(h) despite paragraph (b), any portion of the principal of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall become payable only to the extent the Borrower receives repayment of principal under the relevant Third Party Loan.

The undersigned authorizes the Lender to record on the reverse of this note or on any attachment to this note all advances, repayments and prepayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the Lender on this note or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the Lender to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount of the Advances and interest.

Date as of the 21~~(·)~~ day of November~~(·)~~, 2017.

Ontario Financing Authority

Per:

Gadi Mayman

Chief Executive Officer

$475 MILLION~~2 BILLION~~ OF A PROMISSORY NOTE TO PROVINCE OF ONTARIO, November~~JULY~~ 21~~1~~, 2017

Date	PRINCIPAL ADVANCED	RATE	PAYMENT DATE	INTEREST AMOUNT	AMOUNT OF		NOTATION MADE BY
					REPAYMENT OF PRINCIPAL	PAYMENT OF INTEREST	

Promissory Note

For value received, the Ontario Financing Authority (the "Borrower") promises to pay to Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, Province of Ontario (the "Lender") at the City of Toronto in lawful money of Canada, the lesser of:

(i) Two Billion Dollars; and

(ii) the aggregate unpaid principal balance of all advances made by the Lender as recorded on the reverse of this note or on any attachment described below;

at such time and on such other terms and conditions including the payment of interest as follows;

(a) the Borrower shall be entitled to advances of the loan (an "Advance") in such amounts and at such times as it requires provided that the aggregate amount advanced shall not exceed Two Billion Dollars;

(b) the Borrower shall be entitled to repay Advances either in whole or in part and at such time or times as it determines provided that all Advances plus any accrued interest shall be fully repaid by December 31, 2047;

(c) the Borrower shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Two Billion Dollars;

(d) the Borrower shall pay to the Lender interest on each Advance at a rate which is determined as follows

(i) from the date of Advance to (but excluding) the date of repayment the Borrower shall pay to the Lender interest on the Advance at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of

Ontario treasury bills immediately preceding the Reset Date as determined by the Province;

(ii) in the event that moneys included in an Advance are subsequently loaned by the Borrower to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the Borrower to the Lender on the portion of the Advance so loaned shall be adjusted at the option of the OFA effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the Borrower on such moneys is equivalent to either:

(A) the per annum rate of interest payable to the Borrower under the Third Party Loan, or

(B) the per annum rate of interest payable to the Borrower under the Third Party Loan less an amount not exceeding 25 basis points,

rather than the rate specified in subparagraph (i), until (but excluding) the date on which the Third Party Loan is repaid to the OFA, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Lender on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full;

(e) despite subparagraphs (c)(ii) and (iii) in the event that no interest is payable to the Borrower under a Third Party Loan, no- interest shall be payable by the Borrower on the portion of the Advance so loaned and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period;

(f) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

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Date as of the (·) day of (·), 2017.

Ontario Financing Authority

Per:

Gadi Mayman

Chief Executive Officer

$2 BILLION OF A PROMISSORY NOTE TO PROVINCE OF ONTARIO, JULY 1, 2017

Date	PRINCIPAL ADVANCED	RATE	PAYMENT DATE	INTEREST AMOUNT	AMOUNT OF		NOTATION MADE BY
					REPAYMENT OF PRINCIPAL	PAYMENT OF INTEREST	

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	Promissory note between Province of Ontario and OFA for $475M
Date:	Thursday, November 02, 2017 3:18:09 PM
Attachments:	$475M Amending Agreement No. 10, OFA borrow from Province Prom Note.doc $2B OFHP OFA borrow from Province Prom Note.doc

Hello Lisa,

Please review and comment on the promissory note between the Province of Ontario and the OFA for the new reduced amount of $475M. I've included the previously approved $2B FHP promissory note for comparison purposes.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
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(a) the Borrower shall be entitled to advances of the loan (an "Advance") in such amounts and at such times as it requires provided that the aggregate amount advanced shall not exceed Four Hundred Seventy-Five Million Dollars~~Two Billion Dollars~~;

(b) the Borrower shall be entitled to repay Advances either in whole or in part and at such time or times as it determines provided that all Advances plus any accrued interest shall be fully repaid by ~~December 31, 2047~~January 1, 2041;

(c) the Borrower shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Four Hundred Seventy-Five Million Dollars~~Two Billion Dollars~~;

(d) the Borrower shall pay to the Lender interest on each Advance at a rate which is determined as follows

(i) from the date of Advance to (but excluding) the date of repayment the Borrower shall pay to the Lender interest on the Advance at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day

period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills immediately preceding the Reset Date as determined by the Province;

(ii) in the event that moneys included in an Advance are subsequently loaned by the Borrower to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the Borrower to the Lender on the portion of the Advance so loaned shall be adjusted at the option of the OFA effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the Borrower on such moneys is equivalent to either:

(A) the per annum rate of interest payable to the Borrower under the Third Party Loan, or

(B) the per annum rate of interest payable to the Borrower under the Third Party Loan less an amount not exceeding 25 basis points,

rather than the rate specified in subparagraph (i), until (but excluding) the date on which the Third Party Loan is repaid to the OFA, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Lender on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full;

(e) despite subparagraphs (c)(ii) and (iii) in the event that no interest is payable to the Borrower under a Third Party Loan, no- interest shall be payable by the Borrower on the portion of the Advance so loaned and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period;

(f) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(g) despite paragraph (b), interest on any portion of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the Borrower receives payment of interest under the relevant Third Party Loan; and

(h) despite paragraph (b), any portion of the principal of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall become payable only to the extent the Borrower receives repayment of principal under the relevant Third Party Loan.

The undersigned authorizes the Lender to record on the reverse of this note or on any attachment to this note all advances, repayments and prepayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the Lender on this note or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the Lender to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount of the Advances and interest.

Date as of the 21~~(·)~~ day of November~~(·)~~, 2017.

Ontario Financing Authority

Per:

Gadi Mayman

Chief Executive Officer

$475 MILLION~~2 BILLION~~ OF A PROMISSORY NOTE TO PROVINCE OF ONTARIO, November~~JULY~~ 21~~1~~, 2017

Date	PRINCIPAL ADVANCED	RATE	PAYMENT DATE	INTEREST AMOUNT	AMOUNT OF		NOTATION MADE BY
					REPAYMENT OF PRINCIPAL	PAYMENT OF INTEREST	

Promissory Note

For value received, the Ontario Financing Authority (the "Borrower") promises to pay to Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, Province of Ontario (the "Lender") at the City of Toronto in lawful money of Canada, the lesser of:

(i) Two Billion Dollars; and

(ii) the aggregate unpaid principal balance of all advances made by the Lender as recorded on the reverse of this note or on any attachment described below;

at such time and on such other terms and conditions including the payment of interest as follows;

(a) the Borrower shall be entitled to advances of the loan (an "Advance") in such amounts and at such times as it requires provided that the aggregate amount advanced shall not exceed Two Billion Dollars;

(b) the Borrower shall be entitled to repay Advances either in whole or in part and at such time or times as it determines provided that all Advances plus any accrued interest shall be fully repaid by December 31, 2047;

(c) the Borrower shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Two Billion Dollars;

(d) the Borrower shall pay to the Lender interest on each Advance at a rate which is determined as follows

(i) from the date of Advance to (but excluding) the date of repayment the Borrower shall pay to the Lender interest on the Advance at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of

Ontario treasury bills immediately preceding the Reset Date as determined by the Province;

(ii) in the event that moneys included in an Advance are subsequently loaned by the Borrower to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the Borrower to the Lender on the portion of the Advance so loaned shall be adjusted at the option of the OFA effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the Borrower on such moneys is equivalent to either:

(A) the per annum rate of interest payable to the Borrower under the Third Party Loan, or

(B) the per annum rate of interest payable to the Borrower under the Third Party Loan less an amount not exceeding 25 basis points,

rather than the rate specified in subparagraph (i), until (but excluding) the date on which the Third Party Loan is repaid to the OFA, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Lender on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full;

(e) despite subparagraphs (c)(ii) and (iii) in the event that no interest is payable to the Borrower under a Third Party Loan, no- interest shall be payable by the Borrower on the portion of the Advance so loaned and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period;

(f) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(g) despite paragraph (b), interest on any portion of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the Borrower receives payment of interest under the relevant Third Party Loan; and

(h) despite paragraph (b), any portion of the principal of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall become payable only to the extent the Borrower receives repayment of principal under the relevant Third Party Loan.

The undersigned authorizes the Lender to record on the reverse of this note or on any attachment to this note all advances, repayments and prepayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the Lender on this note or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the Lender to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount of the Advances and interest.

Date as of the (·) day of (·), 2017.

Ontario Financing Authority

Per:

Gadi Mayman

Chief Executive Officer

$2 BILLION OF A PROMISSORY NOTE TO PROVINCE OF ONTARIO, JULY 1, 2017

Date	PRINCIPAL ADVANCED	RATE	PAYMENT DATE	INTEREST AMOUNT	AMOUNT OF		NOTATION MADE BY
					REPAYMENT OF PRINCIPAL	PAYMENT OF INTEREST	

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	Promissory note between Province of Ontario and OFA for $475M
Date:	Thursday, November 02, 2017 3:18:09 PM
Attachments:	$475M Amending Agreement No. 10, OFA borrow from Province Prom Note.doc $2B OFHP OFA borrow from Province Prom Note.doc

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Hello Lisa,

Please review and comment on the promissory note between the Province of Ontario and the OFA for the new reduced amount of $475M. I've included the previously approved $2B FHP promissory note for comparison purposes.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Promissory Note

For value received, the Ontario Financing Authority (the "Borrower") promises to pay to Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, Province of Ontario (the "Lender") at the City of Toronto in lawful money of Canada, the lesser of:

(i) Four Hundred Seventy-Five Million Dollars~~Two Billion Dollars~~; and

(ii) the aggregate unpaid principal balance of all advances made by the Lender as recorded on the reverse of this note or on any attachment described below;

at such time and on such other terms and conditions including the payment of interest as follows;

(a) the Borrower shall be entitled to advances of the loan (an "Advance") in such amounts and at such times as it requires provided that the aggregate amount advanced shall not exceed Four Hundred Seventy-Five Million Dollars~~Two Billion Dollars~~;

(b) the Borrower shall be entitled to repay Advances either in whole or in part and at such time or times as it determines provided that all Advances plus any accrued interest shall be fully repaid by ~~December 31, 2047~~January 1, 2041;

(c) the Borrower shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Four Hundred Seventy-Five Million Dollars~~Two Billion Dollars~~;

(d) the Borrower shall pay to the Lender interest on each Advance at a rate which is determined as follows

(i) from the date of Advance to (but excluding) the date of repayment the Borrower shall pay to the Lender interest on the Advance at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day

period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills immediately preceding the Reset Date as determined by the Province;

(ii) in the event that moneys included in an Advance are subsequently loaned by the Borrower to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the Borrower to the Lender on the portion of the Advance so loaned shall be adjusted at the option of the OFA effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the Borrower on such moneys is equivalent to either:

(A) the per annum rate of interest payable to the Borrower under the Third Party Loan, or

(B) the per annum rate of interest payable to the Borrower under the Third Party Loan less an amount not exceeding 25 basis points,

rather than the rate specified in subparagraph (i), until (but excluding) the date on which the Third Party Loan is repaid to the OFA, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Lender on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full;

(e) despite subparagraphs (c)(ii) and (iii) in the event that no interest is payable to the Borrower under a Third Party Loan, no- interest shall be payable by the Borrower on the portion of the Advance so loaned and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period;

(f) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(g) despite paragraph (b), interest on any portion of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the Borrower receives payment of interest under the relevant Third Party Loan; and

(h) despite paragraph (b), any portion of the principal of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall become payable only to the extent the Borrower receives repayment of principal under the relevant Third Party Loan.

The undersigned authorizes the Lender to record on the reverse of this note or on any attachment to this note all advances, repayments and prepayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the Lender on this note or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the Lender to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount of the Advances and interest.

Date as of the 21~~(·)~~ day of November~~(·)~~, 2017.

Ontario Financing Authority

Per:

Gadi Mayman

Chief Executive Officer

$475 MILLION~~2 BILLION~~ OF A PROMISSORY NOTE TO PROVINCE OF ONTARIO, November~~JULY~~ 21~~1~~, 2017

Date	PRINCIPAL ADVANCED	RATE	PAYMENT DATE	INTEREST AMOUNT	AMOUNT OF		NOTATION MADE BY
					REPAYMENT OF PRINCIPAL	PAYMENT OF INTEREST	

Promissory Note

For value received, the Ontario Financing Authority (the "Borrower") promises to pay to Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, Province of Ontario (the "Lender") at the City of Toronto in lawful money of Canada, the lesser of:

(i) Two Billion Dollars; and

(ii) the aggregate unpaid principal balance of all advances made by the Lender as recorded on the reverse of this note or on any attachment described below;

at such time and on such other terms and conditions including the payment of interest as follows;

(a) the Borrower shall be entitled to advances of the loan (an "Advance") in such amounts and at such times as it requires provided that the aggregate amount advanced shall not exceed Two Billion Dollars;

(b) the Borrower shall be entitled to repay Advances either in whole or in part and at such time or times as it determines provided that all Advances plus any accrued interest shall be fully repaid by December 31, 2047;

(c) the Borrower shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Two Billion Dollars;

(d) the Borrower shall pay to the Lender interest on each Advance at a rate which is determined as follows

(i) from the date of Advance to (but excluding) the date of repayment the Borrower shall pay to the Lender interest on the Advance at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of

Ontario treasury bills immediately preceding the Reset Date as determined by the Province;

(ii) in the event that moneys included in an Advance are subsequently loaned by the Borrower to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the Borrower to the Lender on the portion of the Advance so loaned shall be adjusted at the option of the OFA effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the Borrower on such moneys is equivalent to either:

(A) the per annum rate of interest payable to the Borrower under the Third Party Loan, or

(B) the per annum rate of interest payable to the Borrower under the Third Party Loan less an amount not exceeding 25 basis points,

rather than the rate specified in subparagraph (i), until (but excluding) the date on which the Third Party Loan is repaid to the OFA, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Lender on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full;

(e) despite subparagraphs (c)(ii) and (iii) in the event that no interest is payable to the Borrower under a Third Party Loan, no- interest shall be payable by the Borrower on the portion of the Advance so loaned and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period;

(f) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(g) despite paragraph (b), interest on any portion of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the Borrower receives payment of interest under the relevant Third Party Loan; and

(h) despite paragraph (b), any portion of the principal of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall become payable only to the extent the Borrower receives repayment of principal under the relevant Third Party Loan.

The undersigned authorizes the Lender to record on the reverse of this note or on any attachment to this note all advances, repayments and prepayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the Lender on this note or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the Lender to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount of the Advances and interest.

Date as of the (·) day of (·), 2017.

Ontario Financing Authority

Per:

Gadi Mayman

Chief Executive Officer

$2 BILLION OF A PROMISSORY NOTE TO PROVINCE OF ONTARIO, JULY 1, 2017

Date	PRINCIPAL ADVANCED	RATE	PAYMENT DATE	INTEREST AMOUNT	AMOUNT OF		NOTATION MADE BY
					REPAYMENT OF PRINCIPAL	PAYMENT OF INTEREST	

From:	William Tan
To:	Tobias P. Whitfield (MOF); Lisa Stein
Cc:	Sarah Harris
Subject:	Promissory note between Province of Ontario and OFA for $475M
Date:	Thursday, November 02, 2017 3:43:25 PM
Attachments:	$475M Amending Agreement No. 10, OFA borrow from Province Prom Note.doc $2B OFHP OFA borrow from Province Prom Note.doc

Hello Toby and Lisa,

Please review and comment on the promissory note between the Province of Ontario and the OFA for the new reduced amount of $475M. I've included the previously approved $2B FHP promissory note for comparison purposes.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Promissory Note

For value received, the Ontario Financing Authority (the "Borrower") promises to pay to Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, Province of Ontario (the "Lender") at the City of Toronto in lawful money of Canada, the lesser of:

(i) Four Hundred Seventy-Five Million Dollars~~Two Billion Dollars~~; and

(ii) the aggregate unpaid principal balance of all advances made by the Lender as recorded on the reverse of this note or on any attachment described below;

at such time and on such other terms and conditions including the payment of interest as follows;

(a) the Borrower shall be entitled to advances of the loan (an "Advance") in such amounts and at such times as it requires provided that the aggregate amount advanced shall not exceed Four Hundred Seventy-Five Million Dollars~~Two Billion Dollars~~;

(b) the Borrower shall be entitled to repay Advances either in whole or in part and at such time or times as it determines provided that all Advances plus any accrued interest shall be fully repaid by ~~December 31, 2047~~January 1, 2041;

(c) the Borrower shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Four Hundred Seventy-Five Million Dollars~~Two Billion Dollars~~;

(d) the Borrower shall pay to the Lender interest on each Advance at a rate which is determined as follows

(i) from the date of Advance to (but excluding) the date of repayment the Borrower shall pay to the Lender interest on the Advance at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day

period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills immediately preceding the Reset Date as determined by the Province;

(ii) in the event that moneys included in an Advance are subsequently loaned by the Borrower to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the Borrower to the Lender on the portion of the Advance so loaned shall be adjusted at the option of the OFA effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the Borrower on such moneys is equivalent to either:

(A) the per annum rate of interest payable to the Borrower under the Third Party Loan, or

(B) the per annum rate of interest payable to the Borrower under the Third Party Loan less an amount not exceeding 25 basis points,

rather than the rate specified in subparagraph (i), until (but excluding) the date on which the Third Party Loan is repaid to the OFA, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Lender on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full;

(e) despite subparagraphs (c)(ii) and (iii) in the event that no interest is payable to the Borrower under a Third Party Loan, no- interest shall be payable by the Borrower on the portion of the Advance so loaned and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period;

(f) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(g) despite paragraph (b), interest on any portion of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the Borrower receives payment of interest under the relevant Third Party Loan; and

(h) despite paragraph (b), any portion of the principal of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall become payable only to the extent the Borrower receives repayment of principal under the relevant Third Party Loan.

The undersigned authorizes the Lender to record on the reverse of this note or on any attachment to this note all advances, repayments and prepayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the Lender on this note or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the Lender to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount of the Advances and interest.

Date as of the 21~~(·)~~ day of November~~(·)~~, 2017.

Ontario Financing Authority

Per:

Gadi Mayman

Chief Executive Officer

$475 MILLION~~2 BILLION~~ OF A PROMISSORY NOTE TO PROVINCE OF ONTARIO, November~~JULY~~ 21~~1~~, 2017

Date	PRINCIPAL ADVANCED	RATE	PAYMENT DATE	INTEREST AMOUNT	AMOUNT OF		NOTATION MADE BY
					REPAYMENT OF PRINCIPAL	PAYMENT OF INTEREST	

Promissory Note

For value received, the Ontario Financing Authority (the "Borrower") promises to pay to Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, Province of Ontario (the "Lender") at the City of Toronto in lawful money of Canada, the lesser of:

(i) Two Billion Dollars; and

(ii) the aggregate unpaid principal balance of all advances made by the Lender as recorded on the reverse of this note or on any attachment described below;

at such time and on such other terms and conditions including the payment of interest as follows;

(a) the Borrower shall be entitled to advances of the loan (an "Advance") in such amounts and at such times as it requires provided that the aggregate amount advanced shall not exceed Two Billion Dollars;

(b) the Borrower shall be entitled to repay Advances either in whole or in part and at such time or times as it determines provided that all Advances plus any accrued interest shall be fully repaid by December 31, 2047;

(c) the Borrower shall be entitled to use the loan as a revolving credit facility allowing for successive advances of moneys repaid under the loan; provided that the maximum principal amount of the loan outstanding at any time shall not exceed Two Billion Dollars;

(d) the Borrower shall pay to the Lender interest on each Advance at a rate which is determined as follows

(i) from the date of Advance to (but excluding) the date of repayment the Borrower shall pay to the Lender interest on the Advance at a per annum rate equivalent to the yield earned on ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of

Ontario treasury bills immediately preceding the Reset Date as determined by the Province;

(ii) in the event that moneys included in an Advance are subsequently loaned by the Borrower to third parties for the purposes contemplated in the Act, (a "Third Party Loan") the rate of interest payable by the Borrower to the Lender on the portion of the Advance so loaned shall be adjusted at the option of the OFA effective as of the date of the Third Party Loan so that the per annum rate of interest payable by the Borrower on such moneys is equivalent to either:

(A) the per annum rate of interest payable to the Borrower under the Third Party Loan, or

(B) the per annum rate of interest payable to the Borrower under the Third Party Loan less an amount not exceeding 25 basis points,

rather than the rate specified in subparagraph (i), until (but excluding) the date on which the Third Party Loan is repaid to the OFA, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently loaned to third parties again, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Lender on that portion of the Advance included in any subsequent loan, and so on, until the Advance shall be repaid to the Province in full;

(e) despite subparagraphs (c)(ii) and (iii) in the event that no interest is payable to the Borrower under a Third Party Loan, no- interest shall be payable by the Borrower on the portion of the Advance so loaned and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period;

(f) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(g) despite paragraph (b), interest on any portion of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the Borrower receives payment of interest under the relevant Third Party Loan; and

(h) despite paragraph (b), any portion of the principal of an Advance made to the Borrower under the loan that is loaned by the Borrower as a Third Party Loan shall become payable only to the extent the Borrower receives repayment of principal under the relevant Third Party Loan.

The undersigned authorizes the Lender to record on the reverse of this note or on any attachment to this note all advances, repayments and prepayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the Lender on this note or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the Lender to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount of the Advances and interest.

Date as of the (·) day of (·), 2017.

Ontario Financing Authority

Per:

Gadi Mayman

Chief Executive Officer

$2 BILLION OF A PROMISSORY NOTE TO PROVINCE OF ONTARIO, JULY 1, 2017

Date	PRINCIPAL ADVANCED	RATE	PAYMENT DATE	INTEREST AMOUNT	AMOUNT OF		NOTATION MADE BY
					REPAYMENT OF PRINCIPAL	PAYMENT OF INTEREST	

To:	Lisa Stein; William Tan
Subject:	RE: A quick note
Date:	Friday, November 03, 2017 9:33:46 AM
Attachments:	FW Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement .msg

---

That works for me.
Apparently Anna/Gadi think that it would be more appropriate for Ron to sign the agreements, so the signature blocks (on both agreements) will need to change. I don't have a certificate of incumbency Ron Kwan. Does OFA Legal (Sarah N.?) have one on file for Ron as an OFA corporate officer?

From: Lisa Stein
Sent: Friday, November 03, 2017 9:29 AM
To: Sarah Harris ; William Tan
Subject: FW: A quick note
Is this reasonable from an operational perspective? If so, I'll add it to the latest draft.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, November 02, 2017 4:47 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: A quick note
I forgot to add the sentence about the exchange of documentation that I mentioned on the call. If acceptable, could you please add the following sentence as a new section 15 and make the existing s.15 into s.16.
15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.
Thanks
Victor

From: Victor Buza
Sent: November 02, 2017 4:26 PM
To: 'Lisa Stein'; Sarah Harris; Anthony Martinello
Cc: William Tan; John Kim; Gavin He
Subject: RE: A quick note
Sorry for the delay – please see attached.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
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Cc: William Tan; John Kim; Gavin He
Subject: RE: A quick note
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Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim

<John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>

Subject: A quick note

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Also, if you could please let us know if IESO has received the intercept letter for signature, that would be great. Given the time factor, and once the Intercept Letter is fully executed, it looks like we will be then be signing the two agreements in counterparts (with IESO signing first and sending .pdf's to the OFA).

Thanks,

Sarah Harris
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sarah.harris@ofina.on.ca

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From: William Tan []
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
Subject: FW: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement
Date: Friday, November 03, 2017 09:10:25
Attachment 1: image001.jpg
Attachment 2: image001.jpg

From: Anna Strathy
Sent: Friday, November 03, 2017 7:41 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
Subject: Re: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hi all,

I spoke to Gadi and he recalled that Ron would be signing the letter. I had forgotten that was what was decided with Energy weeks ago.

Since Ron will be signing the letter, I think it only makes sense for him to sign the other related materials - not to mention that CEFD has done the majority of the work on this file and perhaps there is some satisfaction for all of you in seeing it all done! I know Ron may not be familiar with all of the documents, but perhaps Usman can set aside 15 minutes for a briefing with Ron today once the materials are ready to be signed.

Apologies for the late change in direction. Usman, I'll follow up separately with you on this to bring you up to speed.

Thanks, Anna

--
Anna Strathy
Special Policy Advisor to the CEO
Ontario Financing Authority
416.325.8032

On Nov 2, 2017, at 11:36 AM, Lisa Stein <Lisa.Stein@ofina.on.ca> wrote:

Agreed

From: John Kim
Sent: Thursday, November 02, 2017 11:32 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>

Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Thanks, makes sense.

From: Anna Strathy
Sent: Thursday, November 02, 2017 11:31 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Gadi's free tomorrow and familiar with this issue. I can ask Gadi to sign.

From: John Kim
Sent: Thursday, November 02, 2017 11:14 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hi William,

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From: William Tan
Sent: Thursday, November 02, 2017 10:11 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hello John,

Mike is away on Friday and according to the OFA Signing authorities Resolution for Lending Instruments, Ronald Kwan and Gadi Mayman are the other two signatories. Do you mind checking on Ronald's availability to sign for the agreements today or tomorrow?
There is a possibility for the agreements to be ready for today but more likely for tomorrow.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400

Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Lending Instruments

Agreements for loans by the OFA to public bodies, including term sheets, may be signed by any of the following persons:

Chair;
CEO;
Executive Director, Capital Markets Division, OFA; or,
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

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Ontario Financing Authority
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Sent: Thursday, November 02, 2017 10:11 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
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Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

From: Victor Buza
To: Lisa Stein; Sarah Harris; Anthony Martinello
Cc: William Tan; John Kim; Gavin He
Subject: RE: A quick note
Date: Thursday, November 02, 2017 4:48:45 PM

Please do so

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 02, 2017 4:13 PM
To: Sarah Harris; Victor Buza; Anthony Martinello
Cc: William Tan; John Kim; Gavin He
Subject: RE: A quick note

We will need to add counterpart language to AA#10 as well.

From: Sarah Harris
Sent: Thursday, November 02, 2017 4:11 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
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From:	Victor Buza
To:	Lisa Stein; Sarah Harris; Anthony Martinello
Cc:	William Tan; John Kim; Gavin He
Subject:	RE: A quick note
Date:	Thursday, November 02, 2017 4:47:19 PM

I forgot to add the sentence about the exchange of documentation that I mentioned on the call. If acceptable, could you please add the following sentence as a new section 15 and make the existing s.15 into s.16.

15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.

Thanks

Victor

From: Victor Buza
Sent: November 02, 2017 4:26 PM
To: 'Lisa Stein'; Sarah Harris; Anthony Martinello
Cc: William Tan; John Kim; Gavin He
Subject: RE: A quick note

Sorry for the delay – please see attached.

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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
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From:	Victor Buza
To:	Lisa Stein; Sarah Harris; Anthony Martinello
Cc:	William Tan; John Kim; Gavin He
Subject:	RE: A quick note
Date:	Thursday, November 02, 2017 4:26:27 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 IESO Nov 2 420pm.docx

Sorry for the delay – please see attached.

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st day of November, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "**Parties**")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

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acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

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"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date

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of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **November 3rd, 2017** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the

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Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties ~~on the Effective Date~~ prior to the Effective Time, being:

i. ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 3, 2017; and ~~[INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts:~~

ii. ~~ii.~~ the completion of all Advances described in the Election Notice to be provided by IESO to OFA no later than November 17, 2017 (such terms having the meanings ~~as~~ defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date~~; of this Amending Agreement~~ and

~~i.~~iii. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

~~14.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10- on the dates set out below, which shall come into effect as of the Effective Time as defined herein.~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

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Per: _____ Date: November , 2017.
Name: Michael D. Manning
Title: Executive Director & Chief
Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

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Per: _____ Date: November , 2017.
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Victor Buza
To:	Lisa Stein; Sarah Harris; Anthony Martinello
Cc:	William Tan; John Kim; Gavin He
Subject:	RE: A quick note
Date:	Thursday, November 02, 2017 4:26:27 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 IESO Nov 2 420pm.docx

Sorry for the delay – please see attached.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 02, 2017 4:13 PM
To: Sarah Harris; Victor Buza; Anthony Martinello
Cc: William Tan; John Kim; Gavin He
Subject: RE: A quick note

We will need to add counterpart language to AA#10 as well.

From: Sarah Harris
Sent: Thursday, November 02, 2017 4:11 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: A quick note

Hi Victor and Anthony,

Just a quick note to let you know that Lisa and I both must leave at 5 p.m. today. If we're able receive any draft language soon enough before then, we will take a look and try to revert before then. If not, we'll have to do it first thing in the morning.

Also, if you could please let us know if IESO has received the intercept letter for signature, that would be great. Given the time factor, and once the Intercept Letter is fully executed, it looks like we will be then be signing the two agreements in counterparts (with IESO signing first and sending .pdf's to the OFA).

Thanks,

Sarah Harris
Manager, Operations
Capital Markets Division
Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, ON M7A 1Y7
416-325-8193
sarah.harris@ofina.on.ca

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strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st day of November, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "**Parties**")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

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acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

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"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date

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of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **November 3rd, 2017** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the

Commented [LS1]: NTD: TBC

Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties ~~on the Effective Date~~ prior to the Effective Time, being:

i. ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 3, 2017; and ~~[INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts:~~

ii. ~~ii.~~ the completion of all Advances described in the Election Notice to be provided by IESO to OFA no later than November 17, 2017 (such terms having the meanings ~~as~~ defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date~~; of this Amending Agreement~~ and

~~i.~~iii. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

~~14.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10- on the dates set out below, which shall come into effect as of the Effective Time as defined herein.~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

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Per: _____ Date: November , 2017.
Name: Michael D. Manning
Title: Executive Director & Chief
Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

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Per: _____ Date: November , 2017.
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; "Victor Buza"; Anthony Martinello
Cc:	William Tan; John Kim; Gavin He
Subject:	RE: A quick note
Date:	Thursday, November 02, 2017 4:12:39 PM

We will need to add counterpart language to AA#10 as well.

From: Sarah Harris
Sent: Thursday, November 02, 2017 4:11 PM
To: 'Victor Buza' ; Anthony Martinello
Cc: William Tan ; Lisa Stein ; John Kim ; Gavin He
Subject: A quick note

Hi Victor and Anthony,

Just a quick note to let you know that Lisa and I both must leave at 5 p.m. today. If we're able receive any draft language soon enough before then, we will take a look and try to revert before then. If not, we'll have to do it first thing in the morning.

Also, if you could please let us know if IESO has received the intercept letter for signature, that would be great. Given the time factor, and once the Intercept Letter is fully executed, it looks like we will be then be signing the two agreements in counterparts (with IESO signing first and sending .pdf's to the OFA).

Thanks,

Sarah Harris
Manager, Operations
Capital Markets Division
Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, ON M7A 1Y7
416-325-8193
sarah.harris@ofina.on.ca

To:	Lisa Stein; William Tan
Subject:	RE: A quick note
Date:	Friday, November 03, 2017 9:33:46 AM
Attachments:	FW Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement .msg

---

That works for me.
Apparently Anna/Gadi think that it would be more appropriate for Ron to sign the agreements, so the signature blocks (on both agreements) will need to change. I don't have a certificate of incumbency Ron Kwan. Does OFA Legal (Sarah N.?) have one on file for Ron as an OFA corporate officer?

From: Lisa Stein
Sent: Friday, November 03, 2017 9:29 AM
To: Sarah Harris ; William Tan
Subject: FW: A quick note
Is this reasonable from an operational perspective? If so, I'll add it to the latest draft.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, November 02, 2017 4:47 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: A quick note
I forgot to add the sentence about the exchange of documentation that I mentioned on the call. If acceptable, could you please add the following sentence as a new section 15 and make the existing s.15 into s.16.
15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.
Thanks
Victor

From: Victor Buza
Sent: November 02, 2017 4:26 PM
To: 'Lisa Stein'; Sarah Harris; Anthony Martinello
Cc: William Tan; John Kim; Gavin He
Subject: RE: A quick note
Sorry for the delay – please see attached.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 02, 2017 4:13 PM
To: Sarah Harris; Victor Buza; Anthony Martinello
Cc: William Tan; John Kim; Gavin He
Subject: RE: A quick note
We will need to add counterpart language to AA#10 as well.

From: Sarah Harris
Sent: Thursday, November 02, 2017 4:11 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim

<John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>

Subject: A quick note

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Just a quick note to let you know that Lisa and I both must leave at 5 p.m. today. If we're able receive any draft language soon enough before then, we will take a look and try to revert before then. If not, we'll have to do it first thing in the morning.

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sarah.harris@ofina.on.ca

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From: William Tan []
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
Subject: FW: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement
Date: Friday, November 03, 2017 09:10:25
Attachment 1: image001.jpg
Attachment 2: image001.jpg

From: Anna Strathy
Sent: Friday, November 03, 2017 7:41 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
Subject: Re: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hi all,

I spoke to Gadi and he recalled that Ron would be signing the letter. I had forgotten that was what was decided with Energy weeks ago.

Since Ron will be signing the letter, I think it only makes sense for him to sign the other related materials - not to mention that CEFD has done the majority of the work on this file and perhaps there is some satisfaction for all of you in seeing it all done! I know Ron may not be familiar with all of the documents, but perhaps Usman can set aside 15 minutes for a briefing with Ron today once the materials are ready to be signed.

Apologies for the late change in direction. Usman, I'll follow up separately with you on this to bring you up to speed.

Thanks, Anna

--
Anna Strathy
Special Policy Advisor to the CEO
Ontario Financing Authority
416.325.8032

On Nov 2, 2017, at 11:36 AM, Lisa Stein <Lisa.Stein@ofina.on.ca> wrote:

Agreed

From: John Kim
Sent: Thursday, November 02, 2017 11:32 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>

Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Thanks, makes sense.

From: Anna Strathy
Sent: Thursday, November 02, 2017 11:31 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Gadi's free tomorrow and familiar with this issue. I can ask Gadi to sign.

From: John Kim
Sent: Thursday, November 02, 2017 11:14 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hi William,

Not sure of his availability but know that he is quite jammed. Also, he does not usually deal with credit agreements so wouldn't Gadi be more used to doing so? Ron will go through the whole documents if you put in front of him.

From: William Tan
Sent: Thursday, November 02, 2017 10:11 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hello John,

Mike is away on Friday and according to the OFA Signing authorities Resolution for Lending Instruments, Ronald Kwan and Gadi Mayman are the other two signatories. Do you mind checking on Ronald's availability to sign for the agreements today or tomorrow?
There is a possibility for the agreements to be ready for today but more likely for tomorrow.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400

Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Lending Instruments

Agreements for loans by the OFA to public bodies, including term sheets, may be signed by any of the following persons:

Chair;
CEO;
Executive Director, Capital Markets Division, OFA; or,
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

Lending Instruments

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To: Sarah Harris [Sarah.Harris@ofina.on.ca]
Subject: FW: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement
Date: Friday, November 03, 2017 09:10:25
Attachment 1: image001.jpg
Attachment 2: image001.jpg

From: Anna Strathy
Sent: Friday, November 03, 2017 7:41 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
Subject: Re: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

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Special Policy Advisor to the CEO
Ontario Financing Authority
416.325.8032

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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>

Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

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1 Dundas Street West, Suite 1400

Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Lending Instruments

Agreements for loans by the OFA to public bodies, including term sheets, may be signed by any of the following persons:

Chair;
CEO;
Executive Director, Capital Markets Division, OFA; or,
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

Lending Instruments

Agreements for loans by the OFA to public bodies, including term sheets, may be signed by any of the following persons:

Chair;
CEO;
Executive Director, Capital Markets Division, OFA; or,
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

From: Lisa Stein
To: William Tan; Sarah Harris
Cc: Caroline Swerdlyk
Subject: RE: Amending Agreement No. 10 + Mike signing authority
Date: Tuesday, September 05, 2017 4:44:17 PM

Hi Will,

I agree that Mike Manning has the authority to sign OFA loan agreements. Who will be making the additional amendments to Amending Agreement No. 10 (referred to in IESO e-mail), or has this already been done?

Thank you,

Lisa

From: William Tan
Sent: Tuesday, September 05, 2017 3:02 PM
To: Sarah Harris
Cc: Lisa Stein ; Caroline Swerdlyk
Subject: Amending Agreement No. 10 + Mike signing authority

Hello,

Attached is the IESO sign-off on the August 18, version of Amending Agreement No. 10. We expect minimal comments coming back.

Also, attached is Mike Manning's Designation of Authorized Signatory. According to 1. a) Mike is allowed to sign loan agreements.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
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From: Sarah Harris
To: William Tan
Subject: RE: Amending Agreement No. 10 + Mike signing authority
Date: Tuesday, September 05, 2017 3:15:12 PM

Thank you, Will. Could you please let IESO that we would be requesting them to send us .pdf's of the execution versions so we can have signed-off versions agreed upon and ready to be executed as soon as the directive is signed. We would ask IESO to sign to copies of each agreement, and send them to us for execution. We would then have Mike sign all drafts and send one set of fully executed docs to IESO
Thanks,
Sarah

From: William Tan
Sent: Tuesday, September 05, 2017 3:02 PM
To: Sarah Harris
Cc: Lisa Stein ; Caroline Swerdlyk
Subject: Amending Agreement No. 10 + Mike signing authority
Hello,
Attached is the IESO sign-off on the August 18, version of Amending Agreement No. 10. We expect minimal comments coming back.
Also, attached is Mike Manning's Designation of Authorized Signatory. According to 1. a) Mike is allowed to sign loan agreements.
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From:	Lisa Stein
To:	Caroline Swerdlyk; William Tan; Sarah Harris
Subject:	RE: Amending Agreement No. 10 + Mike signing authority
Date:	Tuesday, September 05, 2017 5:11:35 PM

Thank you Caroline

From: Caroline Swerdlyk
Sent: Tuesday, September 05, 2017 5:10 PM
To: Lisa Stein ; William Tan ; Sarah Harris
Subject: Re: Amending Agreement No. 10 + Mike signing authority

Hi Lisa,

The OFA made the additional amendments to Amending Agreement No. 10, and Will sent them to the IESO on Thursday.

I will forward that email to you, for easy reference.

Caroline

From: Lisa Stein
Sent: September 5, 2017 4:44:17 PM
To: William Tan; Sarah Harris
Cc: Caroline Swerdlyk
Subject: RE: Amending Agreement No. 10 + Mike signing authority

Hi Will,

I agree that Mike Manning has the authority to sign OFA loan agreements. Who will be making the additional amendments to Amending Agreement No. 10 (referred to in IESO e-mail), or has this already been done?

Thank you,

Lisa

From: William Tan
Sent: Tuesday, September 05, 2017 3:02 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: Amending Agreement No. 10 + Mike signing authority

Hello,

Attached is the IESO sign-off on the August 18, version of Amending Agreement No. 10. We expect minimal comments coming back.

Also, attached is Mike Manning's Designation of Authorized Signatory. According to 1. a) Mike is allowed to sign loan agreements.

Best regards,

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From:	Sarah Harris
To:	John Kim
Subject:	RE: Away
Date:	Wednesday, September 27, 2017 3:47:33 PM

Thanks, John.
Sarah

From: John Kim
Sent: Wednesday, September 27, 2017 3:47 PM
To: Sarah Harris
Cc: Opal Kandelas ; William Tan ; Lisa Stein ; Sarah Neville ; Anna Strathy
Subject: RE: Away

Thanks, have a good break.
That reminds me to provide everyone with a bit of an update. Had a call with Energy Legal. He still sounds optimistic that things would be resolved on Energy's side by tomorrow. Ron has reached out to IESO as we are just not sure why OPG needs to be involved. If we have to go there, we will go there but will try to talk to them first.
John

From: Sarah Harris
Sent: Wednesday, September 27, 2017 3:45 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Opal Kandelas <Opal.Kandelas@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Away

Hi John,

I will be away returning October 3rd. In my absence would you please keep Opal Kandelas and William Tan copied on any developments regarding the IESO intercept letter.
Thanks,
Sarah

From:	John Kim
To:	Sarah Harris
Cc:	Opal Kandelas; William Tan; Lisa Stein; Sarah Neville; Anna Strathy
Subject:	RE: Away
Date:	Wednesday, September 27, 2017 3:47:08 PM

Thanks, have a good break.
That reminds me to provide everyone with a bit of an update. Had a call with Energy Legal. He still sounds optimistic that things would be resolved on Energy's side by tomorrow. Ron has reached out to IESO as we are just not sure why OPG needs to be involved. If we have to go there, we will go there but will try to talk to them first.
John

From: Sarah Harris
Sent: Wednesday, September 27, 2017 3:45 PM
To: John Kim
Cc: Opal Kandelas ; William Tan ; Lisa Stein ; Sarah Neville ; Anna Strathy
Subject: Away
Hi John,

I will be away returning October 3rd. In my absence would you please keep Opal Kandelas and William Tan copied on any developments regarding the IESO intercept letter.
Thanks,
Sarah

From:	Lisa Stein
To:	John Kim
Cc:	Sarah Neville; Sarah Harris; Opal Kandelas; William Tan
Subject:	RE: Away
Date:	Wednesday, September 27, 2017 4:11:54 PM

Hi John,

I received a voicemail from Victor Buzza this afternoon. Please give me a call to discuss the current status before I call him back – I was also planning to ask him about OPG's involvement. As we have previously mentioned, we don't have a concern from a legal perspective re: sharing the letter agreement and/or the draft credit facility agreement.

Lisa

From: John Kim
Sent: Wednesday, September 27, 2017 3:47 PM
To: Sarah Harris
Cc: Opal Kandelas ; William Tan ; Lisa Stein ; Sarah Neville ; Anna Strathy
Subject: RE: Away

Thanks, have a good break.

That reminds me to provide everyone with a bit of an update. Had a call with Energy Legal. He still sounds optimistic that things would be resolved on Energy's side by tomorrow. Ron has reached out to IESO as we are just not sure why OPG needs to be involved. If we have to go there, we will go there but will try to talk to them first.

John

From: Sarah Harris
Sent: Wednesday, September 27, 2017 3:45 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Opal Kandelas <Opal.Kandelas@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Away

Hi John,

I will be away returning October 3rd. In my absence would you please keep Opal Kandelas and William Tan copied on any developments regarding the IESO intercept letter.

Thanks,

Sarah

From:	Kevin Shvarts
To:	"LEE John -TREASURY"; "LIU Sheen -TREASURY"; "RYFA Ken -TREASURY"
Cc:	Mike Manning; Linda Smith; Sarah Harris; Brett Kichiy; Jean-Francois Beaupre; Kelly Listoe; Ryan Blackbyrne
Subject:	RE: Credit Spread for September 22, 2017 30-Year Loan
Date:	Thursday, September 21, 2017 10:58:34 AM
Attachments:	$400M Borrowing Rate for September 22, 2017 loan signed.pdf 30-yr loan calculations_Sept 22,2017.pdf Bloomberg RBCB.pdf

---

Hello,

Please find attached the details and pricing of the Advance dated September 22, 2017.

Thanks,

Kevin Shvarts, CFA
Investment Analyst, Nuclear Funds
Ontario Financing Authority
T: 416-325-9288
E: Kevin.Shvarts@ofina.on.ca

From: Kevin Shvarts
Sent: Tuesday, September 19, 2017 10:27 AM
To: 'LEE John -TREASURY' ; 'LIU Sheen -TREASURY' ; 'RYFA Ken -TREASURY'
Cc: Mike Manning ; Linda Smith ; Sarah Harris ; Brett Kichiy ; Jean-Francois Beaupre ; Kelly Listoe ; Ryan Blackbyrne
Subject: Credit Spread for September 22, 2017 30-Year Loan

Hello,

The credit spread for the September 22, 2017 30-year loan is **157.75** bps.

I will be sending the pricing and full details on September 21st.

Thanks,

Kevin Shvarts, CFA
Investment Analyst, Nuclear Funds
Ontario Financing Authority
T: 416-325-9288
E: Kevin.Shvarts@ofina.on.ca

Ontario Electricity Financial Corporation
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Société financière de l'industrie de l'électricité de l'Ontario
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A 1Y7

(416) 325-8000

Phone: (416) 325-8000

September 21, 2017

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario
M5G 1X8

Attention: John Lee
Vice-President Treasurer

Dear John:

Re: Advance of $400,000,000.00 dated September 22, 2017 maturing September 22, 2047 (the "Advance") pursuant to the General Corporate Requirements Credit Facility Agreement dated June 17, 2016 between Ontario Power Generation Inc. ("OPG") and Ontario Electricity Financial Corporation ("OEFC") (the "Agreement"), to provide financing for Other General Corporate Requirements.

Further to the Form of Borrowing Notice received by OEFC on September 6, 2017 from OPG requesting the Advance of $400,000,000.00 on September 22, 2017 (the "Advance Date"), and pursuant to Section 3.2 of the above referenced Agreement, please be advised that the applicable interest rate on the Advance will be 4.066% being the aggregate of the applicable Base Rate of 2.4887%, and the Applicable Spread of 157.75 basis points.

Regards,

Mike Manning
Executive Director & CIO, Capital Markets
Capital Markets Division
Ontario Financing Authority

OPG LOAN - 30-Year

STEP 1: Loan Details

OPG Debt Issue Details	
Pricing Date	21-Sep-17
Maturity	22-Sep-47
Original Issue Date	22-Sep-17
Term (yrs)	30
Original Issue Size	$400,000,000

General Corporate Requirements

STEP 2: DETERMINE CANADA CURVE ADJUSTMENT

Canada Bonds Used to Interpolate

Source: Bloomberg RBCB ***** Bid side of market**

Settlement: **21-Sep-17**

Coupon	Maturity	Yield	Price
5.00%	6/1/2037	2.404	140.509
4.00%	6/1/2041	2.462	127.466
3.50%	12/1/2045	2.470	120.813
2.75%	12/1/2048	2.448	106.550

Canada Curve Adjustment to Bond Maturity Date

Interp To	Interpolated CAD Yld	Curve Adj off first bond
22-Sep-2047	2.4568	-0.0132

STEP 3: DETERMINE BASE RATE

Canada Bond Yield	2.4700
Curve Adjustment	-0.0132
Adjusted Cda Bond Yield	2.4568
Commission	0.0319
Base Rate	2.4887
OPG Credit Spread	1.5775
OPG Interest Rate on Debt	4.0660

Commission Calculation

Price Method:		
Commission	0.550	cents
Hyp Coupon Rate	4.034	
Price after commissions	99.450	
Yield	4.066%	
Commission in bps	0.032	
Modified Duration Method:		
	17.309	
Commission in bps	0.032	

***based on Ontario's commissions

***coupon rate based on GOC + OPG credit spread

Stand by for municipal issue 10:10:09

97) Settings 98) Output) Show in Launch Page 1/15 Royal Bank of Canada

Government & Provincial Bonds

RBC Capital Markets® | RBC Dominion Securities Rates

MSG Contributor 10:10:14

Zoom 100%

Royal Bank of Canada -> RBC North America (RBCZ/RBCY) -> CAD Government Pricing -> Government & Provincial Bonds (GDCO...

Description	Bid	Ask	Yield Bid	Yield Ask	Bid Px Change	Duration	Time
1) CAN 0 3/4 08/01/19	98.495	98.505	1.578	1.573	0.005	1.825	10:09
2) CAN 1 1/2 03/01/20	99.771	99.801	1.596	1.584	0.001	2.378	10:02
3) CAN 0 3/4 09/01/20	97.474	97.504	1.635	1.625	0.004	2.882	10:02
4) CAN 0 3/4 03/01/21	96.931	96.961	1.673	1.664	0.004	3.366	10:09
5) CAN 0 3/4 09/01/21	96.390	96.430	1.703	1.692	0.011	3.848	10:09
6) CAN 0 1/2 03/01/22	94.645	94.685	1.761	1.751	0.013	4.349	10:09
7) CAN 2 3/4 06/01/22	104.418	104.468	1.763	1.752	-0.003	4.358	10:09
8) CAN 1 09/01/22	96.245	96.285	1.799	1.790	0.015	4.778	10:09
9) CAN 1 1/2 06/01/23	98.046	98.096	1.864	1.854	0.013	5.390	10:09
10) CAN 2 1/2 06/01/24	103.520	103.570	1.936	1.928	0.015	6.101	10:09
11) CAN 2 1/4 06/01/25	101.725	101.775	2.006	1.999	0.025	6.986	10:09
12) CAN 1 1/2 06/01/26	95.533	95.583	2.064	2.058	0.032	8.036	10:09
13) CAN 1 06/01/27	90.370	90.420	2.104	2.098	0.030	9.097	10:09
14) CAN 2 06/01/28	98.505	98.555	2.157	2.152	0.027	9.530	10:09
15) CAN 5 3/4 06/01/29	136.315	136.415	2.206	2.198	0.011	8.940	10:09
16) CAN 5 3/4 06/01/33	145.115	145.245	2.305	2.297	-0.036	11.229	10:09
17) CAN 5 06/01/37	140.509	140.659	2.404	2.397	-0.012	13.611	10:09
18) CAN 4 06/01/41	127.466	127.586	2.462	2.457	-0.006	16.186	10:09
19) CAN 3 1/2 12/01/45	120.813	120.933	2.470	2.465	-0.003	18.728	10:09
20) CAN 2 3/4 12/01/48	106.550	106.670	2.448	2.443		21.057	10:09

SN 745484 EDT GMT-4:00 G716-5681-0 21-Sep-2017 10:10:14

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2017 Bloomberg Finance L.P.

From:	Sarah Harris
To:	Sarah Neville; Caroline Swerdlyk
Cc:	William Tan
Subject:	RE: Directive signing
Date:	Thursday, August 31, 2017 10:56:07 AM

Will hasn't yet been able to reach Anthony, so he will discuss now that we have this information.
Sarah H.

From: Sarah Neville
Sent: Thursday, August 31, 2017 10:55 AM
To: Sarah Harris ; Caroline Swerdlyk
Cc: William Tan
Subject: RE: Directive signing

What is IESO's view on this? Can it wait until next week?
Sarah

From: Sarah Harris
Sent: Thursday, August 31, 2017 10:54 AM
To: Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>
Subject: FW: Directive signing

Hi Caroline and Sarah,
Please see current status of directive in yellow below.
Sarah H.

From: William Tan
Sent: Thursday, August 31, 2017 10:53 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: Directive signing

fyi

From: John Kim
Sent: Thursday, August 31, 2017 10:52 AM
To: William Tan <William.Tan@ofina.on.ca>
Subject: RE: Directive signing

If it's our Minister, I expect early next week.
Stay tuned about today. I haven't given up.

From: William Tan
Sent: Thursday, August 31, 2017 9:28 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: FW: Directive signing

Good morning John,
I heard the bad news from Caroline that the directive did not get signed yesterday. Are you aware of any other options at this point?
If we waited for the minister to return from holiday, when would you suspect they would sign it?
Thanks,
Will

From: John Kim

Sent: Wednesday, August 30, 2017 1:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Subject: RE: Directive signing

Yes, I did that…..can't push any further but fingers crossed.

From: William Tan
Sent: Wednesday, August 30, 2017 1:43 PM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: Directive signing

Hi John,
I am not sure if it's too early to check the status of the signing of the directive?
Thanks,
Will

From: John Kim
Sent: Tuesday, August 29, 2017 3:31 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Bruno Amara <Bruno.Amara@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: Directive signing

We missed the 2pm slot today. Will try again tomorrow.

From: John Kim
Sent: Tuesday, August 29, 2017 12:05 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Bruno Amara <Bruno.Amara@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: Re: Directive signing

We will let you know. We are trying to facilitate this today but depends availability of time etc

Sent from my iPhone

On Aug 29, 2017, at 12:03 PM, William Tan <William.Tan@ofina.on.ca> wrote:

> Hello John,
> How do we know if the directive has been signed?
> Thanks,
> Will
>
> ---
>
> **From:** John Kim
> **Sent:** Friday, August 25, 2017 9:03 AM
> **To:** Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
> **Cc:** Bruno Amara <Bruno.Amara@ofina.on.ca>
> **Subject:** Directive signing
> Hi,

Just to update you, we are aiming for alternate to sign on Tuesday.

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

From: Victor Buza
To: Sarah Harris
Cc: Lisa Stein; Caroline Swerdlyk; Anthony Martinello; William Tan
Subject: RE: Draft Amending Agreement No. 10
Date: Friday, September 08, 2017 4:30:32 PM
Attachments: OFA IESO Amending Agreement No 10 OFA Markup Sep7 IESO Sep8.docx

---

Hi Sarah and Lisa – per our email exchanges earlier this afternoon, see comments/ minor fixes in the attached.
I accepted the changes and removed the comments from the version that Will sent yesterday in the preceding email, so any comments or changes remaining are new.
Regards,
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 07, 2017 3:40 PM
To: Victor Buza; Anthony Martinello
Cc: Lisa Stein; Sarah Harris; Caroline Swerdlyk
Subject: FW: Draft Amending Agreement No. 10

Hello Victor,
As discussed, the extension date of the existing $475 million Revolving Credit Facility to align with the FHP Revolving Credit Facility will be deferred to a future amended and restated agreement. We have included minor edits. Please review and comment.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, September 06, 2017 4:16 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Draft Amending Agreement No. 10

Hi Will – we have reviewed OFA's draft of Amendment #10 and only have a very few comments, which I have inserted in the attached for your review/consideration, mostly just addressing drafting inconsistencies and the like.
The one substantive proposal we would make is that the termination date for this $475MM revolving loan be extended beyond the current end-date of December 31, 2019 (as stipulated in Amending Agreement #9) to be aligned with the end-date of the FHP Credit Agreement which is September 30 2022. If agreed, it would require minor amendments to sections 2.4 and 5.1(b) of the Agreement. FYI, such a change would be within the scope of the authorization provided by IESO's board resolution.
Let us know your thoughts on this.
Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com]

[na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com]
[na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 31, 2017 4:33 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.

Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca
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---

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.
And, please send over draft Amendment #10 for our review.
Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,
We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.
Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.
Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?
Thanks,
Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,
Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.
You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).

It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.
I assume there is an internal OFA grid document which provides each advance as segregate rows.
Victor and I are reviewing today's draft.
Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.
Regards,

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such Advances~~advances~~ and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

Commented [VB1]: See comment on similar FHP language and make consistent between documents.

Commented [VB2]: Same as "Advances Outstanding"?? Or is this different?

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

   (2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

   (3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

   (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

   (5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered

Commented [VB3]: Leave as is

Commented [A4]: As of August 21, 2017. IESO to confirm.

hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section ~~3.2~~ 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Commented [VB5]: Change of reference

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

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OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

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This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

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The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

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IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan; Shajee Kathirgamanathan
Cc:	Sarah Harris; Sarah Neville; Caroline Swerdlyk; Bruno Amara; John Kim
Subject:	RE: Draft Amending Agreement No. 10
Date:	Wednesday, September 06, 2017 5:28:30 PM

Hi Will and Shajee,
While it is a business/policy decision whether to extend the expiry date of the revolving credit facility agreement as per the IESO's request, please note that the current expiry date is set pursuant to the Ministerial directive dated November 28 ,2016. Therefore it will be necessary to obtain a new ministerial directive to amend the expiry date. It is possible to add this to the new directive which has not yet been signed by the Minister; you will also need to amend the accompanying briefing note.
Please advise how you would like to proceed regarding the directive. I'll provide additional comments on the IESO's edits to the latest amending agreement tomorrow (they are relatively minor).
Shajee/John: It will be necessary to amend the briefing note in any event as I believe the signature line needs to be amended to reference the Minister (and not his delegate).
Thank you,
Lisa

From: William Tan
Sent: Wednesday, September 06, 2017 5:04 PM
To: Shajee Kathirgamanathan
Cc: Sarah Harris ; Sarah Neville ; Lisa Stein ; Caroline Swerdlyk ; Bruno Amara
Subject: FW: Draft Amending Agreement No. 10
Hello Shajee,
As part of the existing OFA IESO Revolving Credit Facility Amending Agreement No. 10 to reduce to $475 million (from $975 million), IESO has requested to extend the agreement expiry date from December 31, 2019 to September 30, 2022 to align it with the new FHP $2 billion Credit Facility. From an OEFC perspective, do you have any concerns regarding this? FYI subject to the new directive being signed we anticipate that the Amending Agreement No. 10 and FHP Credit Facility to be signed by Friday.
Best regards,
Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca
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From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, September 06, 2017 4:16 PM
To: William Tan <William.Tan@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Draft Amending Agreement No. 10

Hi Will – we have reviewed OFA's draft of Amendment #10 and only have a very few comments, which I have inserted in the attached for your review/consideration, mostly just addressing drafting inconsistencies and the like.

The one substantive proposal we would make is that the termination date for this $475MM revolving loan be extended beyond the current end-date of December 31, 2019 (as stipulated in Amending Agreement #9) to be aligned with the end-date of the FHP Credit Agreement which is September 30 2022. If agreed, it would require minor amendments to sections 2.4 and 5.1(b) of the Agreement. FYI, such a change would be within the scope of the authorization provided by IESO's board resolution.

Let us know your thoughts on this.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 31, 2017 4:33 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,
I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.
As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.
Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,
Do you mind giving me a call when you have a moment?
Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca
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Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.
And, please send over draft Amendment #10 for our review.
Regards.

From:	Lisa Stein
To:	William Tan; Shajee Kathirgamanathan
Cc:	Sarah Harris; Sarah Neville; Caroline Swerdlyk; Bruno Amara; John Kim
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Date:	Wednesday, September 06, 2017 5:28:30 PM

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Please advise how you would like to proceed regarding the directive. I'll provide additional comments on the IESO's edits to the latest amending agreement tomorrow (they are relatively minor).
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Lisa

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To: Shajee Kathirgamanathan
Cc: Sarah Harris ; Sarah Neville ; Lisa Stein ; Caroline Swerdlyk ; Bruno Amara
Subject: FW: Draft Amending Agreement No. 10
Hello Shajee,
As part of the existing OFA IESO Revolving Credit Facility Amending Agreement No. 10 to reduce to $475 million (from $975 million), IESO has requested to extend the agreement expiry date from December 31, 2019 to September 30, 2022 to align it with the new FHP $2 billion Credit Facility. From an OEFC perspective, do you have any concerns regarding this? FYI subject to the new directive being signed we anticipate that the Amending Agreement No. 10 and FHP Credit Facility to be signed by Friday.
Best regards,
Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca
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From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, September 06, 2017 4:16 PM
To: William Tan <William.Tan@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Draft Amending Agreement No. 10

Hi Will – we have reviewed OFA's draft of Amendment #10 and only have a very few comments, which I have inserted in the attached for your review/consideration, mostly just addressing drafting inconsistencies and the like.

The one substantive proposal we would make is that the termination date for this $475MM revolving loan be extended beyond the current end-date of December 31, 2019 (as stipulated in Amending Agreement #9) to be aligned with the end-date of the FHP Credit Agreement which is September 30 2022. If agreed, it would require minor amendments to sections 2.4 and 5.1(b) of the Agreement. FYI, such a change would be within the scope of the authorization provided by IESO's board resolution.

Let us know your thoughts on this.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 31, 2017 4:33 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,
I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.
As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.
Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,
Do you mind giving me a call when you have a moment?
Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
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---

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.
And, please send over draft Amendment #10 for our review.
Regards.

From:	Victor Buza
To:	William Tan
Cc:	Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein; Anthony Martinello
Subject:	RE: Draft Amending Agreement No. 10
Date:	Wednesday, September 06, 2017 4:16:25 PM
Attachments:	OFA IESO Amending Agreement No 10 OFA Draft Aug 18 (Aug 31 markup) IESO Markup Sep6.docx

Hi Will – we have reviewed OFA's draft of Amendment #10 and only have a very few comments, which I have inserted in the attached for your review/consideration, mostly just addressing drafting inconsistencies and the like.

The one substantive proposal we would make is that the termination date for this $475MM revolving loan be extended beyond the current end-date of December 31, 2019 (as stipulated in Amending Agreement #9) to be aligned with the end-date of the FHP Credit Agreement which is September 30 2022. If agreed, it would require minor amendments to sections 2.4 and 5.1(b) of the Agreement. FYI, such a change would be within the scope of the authorization provided by IESO's board resolution.

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Regards,

Victor

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1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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Cc: Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: Draft Amending Agreement No. 10

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> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

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Subject: FW: IESO Grid Notes

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As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

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Sorry for the inconvenience.

Will

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To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

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Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
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1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
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Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.

And, please send over draft Amendment #10 for our review.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,

We have reviewed the grid note you provided and your observation is correct that you are provided

with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.
Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.
Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?
Thanks,
Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,
Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.
You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).
It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.
I assume there is an internal OFA grid document which provides each advance as segregate rows.
Victor and I are reviewing today's draft.
Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.
Regards,

Ontario

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

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and destroy all copies. Thank you.

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

Commented [VB1]: NOTE – Amending Agreement#9 added a definition of "IESO" to the Agreement – this change is just to be consistent with that definition.

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

Commented [VB2]: NOTE – consider changing ultimate repayment date to later than December 31, 2019 to align with FHP dates.

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid ~~or re-paid~~ by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note

Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Commented [A3]: As of August 21, 2017. IESO to confirm.

delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

MT DOCS 14791871

Commented [VB4]: The term "Note" is not defined in the Agreement as far as I can tell, having checked all amendments. It occurs 6 times on this page. In the 2nd para, the term "grid promissory note" is also used and means the same thing. These should be consistent. "Note" should be defined, or we could use "Grid Note" throughout, but again it's preferable for it to be defined in some manner.

Commented [VB5]: The original 2005 agreement is not defined as or entitled "Credit Agreement", so this occurrence should be lower case.

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Victor Buza
To:	William Tan
Cc:	Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein; Anthony Martinello
Subject:	RE: Draft Amending Agreement No. 10
Date:	Wednesday, September 06, 2017 4:16:25 PM
Attachments:	OFA IESO Amending Agreement No 10 OFA Draft Aug 18 (Aug 31 markup) IESO Markup Sep6.docx

Hi Will – we have reviewed OFA's draft of Amendment #10 and only have a very few comments, which I have inserted in the attached for your review/consideration, mostly just addressing drafting inconsistencies and the like.

The one substantive proposal we would make is that the termination date for this $475MM revolving loan be extended beyond the current end-date of December 31, 2019 (as stipulated in Amending Agreement #9) to be aligned with the end-date of the FHP Credit Agreement which is September 30 2022. If agreed, it would require minor amendments to sections 2.4 and 5.1(b) of the Agreement. FYI, such a change would be within the scope of the authorization provided by IESO's board resolution.

Let us know your thoughts on this.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 31, 2017 4:33 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Sarah Neville; Caroline Swerdlyk; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM

To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.

Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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---

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.

And, please send over draft Amendment #10 for our review.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,

We have reviewed the grid note you provided and your observation is correct that you are provided

with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.
Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.
Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?
Thanks,
Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,
Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.
You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).
It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.
I assume there is an internal OFA grid document which provides each advance as segregate rows.
Victor and I are reviewing today's draft.
Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.
Regards,

Ontario

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

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and destroy all copies. Thank you.

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

Commented [VB1]: NOTE – Amending Agreement#9 added a definition of "IESO" to the Agreement – this change is just to be consistent with that definition.

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

Commented [VB2]: NOTE – consider changing ultimate repayment date to later than December 31, 2019 to align with FHP dates.

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid ~~or re-paid~~ by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note

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Commented [A3]: As of August 21, 2017. IESO to confirm.

delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

MT DOCS 14791871

Commented [VB4]: The term "Note" is not defined in the Agreement as far as I can tell, having checked all amendments. It occurs 6 times on this page. In the 2nd para, the term "grid promissory note" is also used and means the same thing. These should be consistent. "Note" should be defined, or we could use "Grid Note" throughout, but again it's preferable for it to be defined in some manner.

Commented [VB5]: The original 2005 agreement is not defined as or entitled "Credit Agreement", so this occurrence should be lower case.

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Anthony Martinello; "Victor Buza"
Cc:	Sarah Harris; Sarah Neville; Lisa Stein; Caroline Swerdlyk
Subject:	RE: Draft Amending Agreement No. 10
Date:	Tuesday, September 05, 2017 11:01:52 AM

Good morning Anthony and Victor,
Following-up on when we can expect comments on the Amending Agreement No. 10 and FHP Credit Facility.
Thanks,
Will

From: William Tan
Sent: Thursday, August 31, 2017 4:33 PM
To: 'Anthony Martinello' ; Victor Buza
Cc: Sarah Harris ; Sarah Neville ; Caroline Swerdlyk ; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,
The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.
Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).
Please review and comment.
Thanks,
Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,
I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.
As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.
Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM

To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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---

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.

And, please send over draft Amendment #10 for our review.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,

We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.

Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.

Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,

Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.
You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).
It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.
I assume there is an internal OFA grid document which provides each advance as segregate rows.
Victor and I are reviewing today's draft.
Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.
Regards,

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

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From:	William Tan
To:	Anthony Martinello; "Victor Buza"
Cc:	Sarah Harris; Sarah Neville; Lisa Stein; Caroline Swerdlyk
Subject:	RE: Draft Amending Agreement No. 10
Date:	Tuesday, September 05, 2017 11:01:52 AM

Good morning Anthony and Victor,
Following-up on when we can expect comments on the Amending Agreement No. 10 and FHP Credit Facility.
Thanks,
Will

From: William Tan
Sent: Thursday, August 31, 2017 4:33 PM
To: 'Anthony Martinello' ; Victor Buza
Cc: Sarah Harris ; Sarah Neville ; Caroline Swerdlyk ; Lisa Stein
Subject: Draft Amending Agreement No. 10

Hello Anthony and Victor,
The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.
Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).
Please review and comment.
Thanks,
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Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Subject: RE: IESO Grid Notes

Yes.

And, please send over draft Amendment #10 for our review.

Regards.

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Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

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Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.

Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?

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Will

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Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,

Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.
You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).
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I assume there is an internal OFA grid document which provides each advance as segregate rows.
Victor and I are reviewing today's draft.
Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.
Regards,

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

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From: Caroline Swerdlyk
To: William Tan
Cc: Sarah Neville; Sarah Harris; Lisa Stein
Subject: RE: Draft Amending Agreement No. 10
Date: Thursday, August 31, 2017 3:21:07 PM
Attachments: OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18 (Aug 31 markup).docx

---

Hi William,
I have updated the draft Amending Agreement No. 10 including Form of Election Notice to allow for roll-over of interest per your instructions below, by copying the content of the relevant sections of the draft FHP Agreement.
I also:
- changed the date to September
- added s. 3.3(4) from the FHP Agreement, which addresses calculation of interest on a Continued Advance:

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

If you have any comments or would like to discuss, please let me know.
As noted below, if you are forwarding this to the IESO, please let them know the reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).
(I am not sure what naming convention has been used for these files - I just added "Aug 31 markup" to the previous filename.)
Thanks,
Caroline

From: William Tan
Sent: Thursday, August 31, 2017 2:26 PM
To: Caroline Swerdlyk
Cc: Sarah Neville ; Sarah Harris ; Lisa Stein
Subject: FW: Draft Amending Agreement No. 10
Hello Caroline,
I have spoken to Anthony and he has requested to update the existing credit facility agreement ($975 million down to $475 million) to have the same option to roll-over principle and interest. Risa Thau had no concerns from an accounting and operational standpoint. Mike Manning and James Devine also had no concerns from a Capital Markets perspective. Please include the language in the Amending Agreement No. 10 to reflect this.
I have updated the Grid note be appear the same as the FHP Grid Note. I have reviewed you're changes to the Amending Agreement No. 10 and have no other comments.
Thanks,
Will

From: Caroline Swerdlyk
Sent: Thursday, August 31, 2017 11:58 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: Draft Amending Agreement No. 10

Hello,
Please find attached draft changes to Amending Agreement No. 10. I worked from the document that Will emailed to the IESO on August 18 at 3:18pm which Lisa shared with me. Please let me know if you have any comments/questions/changes or would like to discuss.
This draft updates all of the Schedules to the Agreement. We also thought it would be prudent to align the language in the related sections of the Agreement. If you are forwarding this to the IESO, please let them know that this is the reason for the scope of the changes that have been included.
I also wanted to flag that Mike Manning's new title should be used on any documents that he signs (Executive Director & Chief Investment Officer).
Thanks,
Caroline

Caroline Swerdlyk
Legal Counsel
ext. 5-8141

Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**~~"~~"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of~~ the IESO~~, and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; ~~and~~ (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

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"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

~~1.~~2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42[**Insert amount outstanding as of date of execution**].~~

Commented [A1]: Moved to the end to allow schedule references to remain consistent with Credit Agreement

~~3. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.~~

3. The following definitions are added to Section 1.1 of the Agreement

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest

for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A2]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the P~~p~~arties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, ~~_____~~Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED FORM OF GRID NOTE~~ FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

Commented [A3]: Changed "aggregate" to "principal". This is the only substantive change to this form.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $_____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

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Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

~~**[NTD – TO BE UPDATED AT EXECUTION]**~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016		31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016		30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016		33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016		30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017		30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017		32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017		28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017		34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017		29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

From: Caroline Swerdlyk
To: William Tan
Cc: Sarah Neville; Sarah Harris; Lisa Stein
Subject: RE: Draft Amending Agreement No. 10
Date: Thursday, August 31, 2017 3:21:07 PM
Attachments: OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18 (Aug 31 markup).docx

---

Hi William,
I have updated the draft Amending Agreement No. 10 including Form of Election Notice to allow for roll-over of interest per your instructions below, by copying the content of the relevant sections of the draft FHP Agreement.
I also:
- changed the date to September
- added s. 3.3(4) from the FHP Agreement, which addresses calculation of interest on a Continued Advance:

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

If you have any comments or would like to discuss, please let me know.
As noted below, if you are forwarding this to the IESO, please let them know the reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).
(I am not sure what naming convention has been used for these files - I just added "Aug 31 markup" to the previous filename.)
Thanks,
Caroline

From: William Tan
Sent: Thursday, August 31, 2017 2:26 PM
To: Caroline Swerdlyk
Cc: Sarah Neville ; Sarah Harris ; Lisa Stein
Subject: FW: Draft Amending Agreement No. 10
Hello Caroline,
I have spoken to Anthony and he has requested to update the existing credit facility agreement ($975 million down to $475 million) to have the same option to roll-over principle and interest. Risa Thau had no concerns from an accounting and operational standpoint. Mike Manning and James Devine also had no concerns from a Capital Markets perspective. Please include the language in the Amending Agreement No. 10 to reflect this.
I have updated the Grid note be appear the same as the FHP Grid Note. I have reviewed you're changes to the Amending Agreement No. 10 and have no other comments.
Thanks,
Will

From: Caroline Swerdlyk
Sent: Thursday, August 31, 2017 11:58 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: Draft Amending Agreement No. 10

Hello,
Please find attached draft changes to Amending Agreement No. 10. I worked from the document that Will emailed to the IESO on August 18 at 3:18pm which Lisa shared with me. Please let me know if you have any comments/questions/changes or would like to discuss.
This draft updates all of the Schedules to the Agreement. We also thought it would be prudent to align the language in the related sections of the Agreement. If you are forwarding this to the IESO, please let them know that this is the reason for the scope of the changes that have been included.
I also wanted to flag that Mike Manning's new title should be used on any documents that he signs (Executive Director & Chief Investment Officer).
Thanks,
Caroline

Caroline Swerdlyk
Legal Counsel
ext. 5-8141

Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**~~"~~"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of~~ the IESO~~, and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; ~~and~~ (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

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"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

~~1.~~2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42[**Insert amount outstanding as of date of execution**].~~

Commented [A1]: Moved to the end to allow schedule references to remain consistent with Credit Agreement

~~3. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.~~

3. The following definitions are added to Section 1.1 of the Agreement

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest

for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A2]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the P~~p~~arties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, ~~_____~~Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED FORM OF GRID NOTE~~ FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

Commented [A3]: Changed "aggregate" to "principal". This is the only substantive change to this form.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $_____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

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Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

~~**[NTD – TO BE UPDATED AT EXECUTION]**~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016		31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016		30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016		33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016		30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017		30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017		32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017		28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017		34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017		29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

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Cc:	Shajee Kathirgamanathan; Caroline Swerdlyk; Sarah Harris; Sarah Neville
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Cc:	Shajee Kathirgamanathan; Caroline Swerdlyk; Sarah Harris; Sarah Neville
Subject:	RE: Draft Amending Agreement No. 10
Date:	Thursday, September 07, 2017 1:35:44 PM

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Date: Friday, September 08, 2017 4:30:32 PM
Attachments: OFA IESO Amending Agreement No 10 OFA Markup Sep7 IESO Sep8.docx

---

Hi Sarah and Lisa – per our email exchanges earlier this afternoon, see comments/ minor fixes in the attached.
I accepted the changes and removed the comments from the version that Will sent yesterday in the preceding email, so any comments or changes remaining are new.
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Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.

Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca
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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.
And, please send over draft Amendment #10 for our review.
Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,
We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.
Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.
Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?
Thanks,
Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,
Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.
You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).

It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.
I assume there is an internal OFA grid document which provides each advance as segregate rows.
Victor and I are reviewing today's draft.
Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.
Regards,

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such Advances~~advances~~ and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

Commented [VB1]: See comment on similar FHP language and make consistent between documents.

Commented [VB2]: Same as "Advances Outstanding"?? Or is this different?

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

   (2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

   (3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

   (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

   (5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered

Commented [VB3]: Leave as is

Commented [A4]: As of August 21, 2017. IESO to confirm.

hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section ~~3.2~~ 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Commented [VB5]: Change of reference

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

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OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

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This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

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The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

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IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris
Cc:	Tobias P. Whitfield (MOF); William Tan; John Kim; Gavin He
Subject:	RE: Effective Date of Amending Agreement to Reduce Existing OFA- IESO Facility to $475M
Date:	Wednesday, November 01, 2017 1:27:50 PM

Agreed, as per our discussion yesterday.

From: Sarah Harris
Sent: Wednesday, November 01, 2017 12:37 PM
To: Lisa Stein
Cc: Tobias P. Whitfield (MOF) ; William Tan ; John Kim ; Gavin He
Subject: Effective Date of Amending Agreement to Reduce Existing OFA- IESO Facility to $475M

Hi Lisa,

Instead of November 22nd as the effective date on the amending agreement, I think November 21st will work, so let's change it to the 21st.

Thanks,
Sarah

From:	Sarah Harris
To:	John Kim
Subject:	RE: Energy"s PRRT
Date:	Thursday, October 19, 2017 9:50:31 AM

Thanks, John.

From: John Kim
Sent: Thursday, October 19, 2017 9:50 AM
To: Sarah Harris
Subject: RE: Energy's PRRT

Hi Sarah,
It is still on….waiting on IESO side now.
I didn't think it made sense to shut down an option at this point and they agreed to it.
John

From: Sarah Harris
Sent: Thursday, October 19, 2017 9:49 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: Energy's PRRT

Hi John,
Just wondering if you heard from Ken re: his meeting with Gadi and any further direction on the Ministerial Directive vs. the tripartite letter approach?
Thanks,
Sarah

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:59 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

My meeting with Gadi on this and other issues has been rescheduled to 4PM today so will get back to you immediately after that.
Thanks
Ken k

From: John Kim
Sent: Wednesday, October 18, 2017 9:57 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

Ok, thanks….all along this group had recommended the exemption directive option. That said, my advice would be to leave both options open but pls. let us know. I have spoken to Ron as well and he is onside with either approach.

From: Ken Kandeepan

Sent: Wednesday, October 18, 2017 9:46 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

Will confirm this AM.
Thanks
Ken k

From: John Kim
Sent: Wednesday, October 18, 2017 9:45 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

Absolutely it is Gadi. Do we have his instruction?

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:44 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

Thanks John, who is making this decision and shouldn't that be Gadi
Let me know
Ken k

From: John Kim
Sent: Tuesday, October 17, 2017 1:57 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

Hi Ken,
From the start, the exemption had been the advocated path. I will keep this interception option open until the decision is made to pursue Minister's directive or when we have that directive signed. We can always walk away from this option.
Thanks,
John

From: Ken Kandeepan
Sent: Tuesday, October 17, 2017 1:44 PM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah

Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

Hi John

Based on a conversation with Gadi, any solution that continues with the intercept provision will most likely be unacceptable from OPG's perspective. They are concerned that despite the intercept being toothless on a practical basis it may send the wrong message to DBRS as it assess the credit-worthiness of the OFHP debt.

It appears that the only solution is have the Minister sign an exemption and we should focus on getting that in place.

Thanks

Ken k

From: John Kim
Sent: Tuesday, October 17, 2017 1:37 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: FW: Energy's PRRT

Hi Lisa and everyone,

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To: John Kim <John.Kim@ofina.on.ca>
Cc: Chris Skubel (MGS) <Chris.Skubel@ontario.ca>; Afshin Malekzadeh (MOHLTC) <Afshin.Malekzadeh@ontario.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

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Cc: Bruno Amara <Bruno.Amara@ofina.on.ca>

Subject: RE: Energy's PRRT

20-18-19 PRRT hasn't started as yet.

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Director, Electricity Finance Branch
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e-mail: john.kim@ofina.on.ca
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From: John Kim
To: Sarah Harris
Subject: RE: Energy"s PRRT
Date: Thursday, October 19, 2017 9:50:00 AM

Hi Sarah,
It is still on….waiting on IESO side now.
I didn't think it made sense to shut down an option at this point and they agreed to it.
John

From: Sarah Harris
Sent: Thursday, October 19, 2017 9:49 AM
To: John Kim
Subject: RE: Energy's PRRT

Hi John,
Just wondering if you heard from Ken re: his meeting with Gadi and any further direction on the Ministerial Directive vs. the tripartite letter approach?
Thanks,
Sarah

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:59 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

My meeting with Gadi on this and other issues has been rescheduled to 4PM today so will get back to you immediately after that.
Thanks
Ken k

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Subject: RE: Energy's PRRT

Ok, thanks….all along this group had recommended the exemption directive option. That said, my advice would be to leave both options open but pls. let us know. I have spoken to Ron as well and he is onside with either approach.

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:46 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>

Subject: RE: Energy's PRRT

Will confirm this AM.

Thanks

Ken k

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Sent: Wednesday, October 18, 2017 9:45 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
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Absolutely it is Gadi. Do we have his instruction?

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Thanks John, who is making this decision and shouldn't that be Gadi

Let me know

Ken k

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Subject: RE: Energy's PRRT

Hi Ken,

From the start, the exemption had been the advocated path. I will keep this interception option open until the decision is made to pursue Minister's directive or when we have that directive signed. We can always walk away from this option.

Thanks,

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Sent: August 18, 2017 1:28 PM
To: Strang, James (TBS)
Cc: Skubel, Chris (TBS); Malekzadeh, Afshin (TBS); Bruno Amara
Subject: RE: Energy's PRRT

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Cc: Chris Skubel (MGS) <Chris.Skubel@ontario.ca>; Afshin Malekzadeh (MOHLTC) <Afshin.Malekzadeh@ontario.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>

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Hi James,

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Can you share Energy's approved PRRT? Have some urgent stuff we are dealing with.

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e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	Ken Kandeepan
To:	John Kim; Lisa Stein
Cc:	Sarah Neville; Anna Strathy; Sarah Harris; William Tan; Gavin He; Bruno Amara
Subject:	RE: Energy"s PRRT
Date:	Tuesday, October 17, 2017 1:43:42 PM

Hi John
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From: John Kim
To: Sarah Harris
Subject: RE: Energy"s PRRT
Date: Thursday, October 19, 2017 9:50:00 AM

Hi Sarah,
It is still on….waiting on IESO side now.
I didn't think it made sense to shut down an option at this point and they agreed to it.
John

From: Sarah Harris
Sent: Thursday, October 19, 2017 9:49 AM
To: John Kim
Subject: RE: Energy's PRRT

Hi John,
Just wondering if you heard from Ken re: his meeting with Gadi and any further direction on the Ministerial Directive vs. the tripartite letter approach?
Thanks,
Sarah

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:59 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

My meeting with Gadi on this and other issues has been rescheduled to 4PM today so will get back to you immediately after that.
Thanks
Ken k

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Subject: RE: Energy's PRRT

Ok, thanks….all along this group had recommended the exemption directive option. That said, my advice would be to leave both options open but pls. let us know. I have spoken to Ron as well and he is onside with either approach.

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:46 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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Subject: RE: Energy's PRRT

Will confirm this AM.

Thanks

Ken k

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Subject: RE: Energy's PRRT

Absolutely it is Gadi. Do we have his instruction?

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Thanks John, who is making this decision and shouldn't that be Gadi

Let me know

Ken k

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Hi Ken,

From the start, the exemption had been the advocated path. I will keep this interception option open until the decision is made to pursue Minister's directive or when we have that directive signed. We can always walk away from this option.

Thanks,

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Y. John Kim
Director, Electricity Finance Branch
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e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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To: John Kim
Subject: RE: Energy"s PRRT
Date: Thursday, October 19, 2017 9:48:57 AM

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Date:	Wednesday, October 18, 2017 9:59:18 AM

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Ph: 416-212-6996

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From:	John Kim
To:	Ken Kandeepan; Lisa Stein
Cc:	Sarah Neville; Anna Strathy; Sarah Harris; William Tan; Gavin He; Bruno Amara
Subject:	RE: Energy"s PRRT
Date:	Wednesday, October 18, 2017 9:57:02 AM

Ok, thanks….all along this group had recommended the exemption directive option. That said, my advice would be to leave both options open but pls. let us know. I have spoken to Ron as well and he is onside with either approach.

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:46 AM
To: John Kim ; Lisa Stein
Cc: Sarah Neville ; Anna Strathy ; Sarah Harris ; William Tan ; Gavin He ; Bruno Amara
Subject: RE: Energy's PRRT

Will confirm this AM.
Thanks
Ken k

From: John Kim
Sent: Wednesday, October 18, 2017 9:45 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
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From: Strang, James (TBS) [mailto:James.Strang@ontario.ca]
Sent: Tuesday, October 17, 2017 11:18 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Chris Skubel (MGS) <Chris.Skubel@ontario.ca>; Afshin Malekzadeh (MOHLTC) <Afshin.Malekzadeh@ontario.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>

Subject: RE: Energy's PRRT

John, I checked with our MOECC analyst, Green ON Fund is an agency of MOECC and is flowing funding to IESO.
James

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 13, 2017 4:49 PM
To: Strang, James (TBS)
Cc: Skubel, Chris (TBS); Malekzadeh, Afshin (TBS); Bruno Amara; He, Gavin (OFA)
Subject: RE: Energy's PRRT

Hi James,

The Green ON Fund…am I correct to think that this is also not part of IESO's operating expense/allocation? As for the items below (for Energy), it is a program expense facilitated through the IESO?

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You are correct.

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To: Strang, James (TBS)
Cc: Skubel, Chris (TBS); Malekzadeh, Afshin (TBS); Bruno Amara
Subject: RE: Energy's PRRT

Thanks. OREC is not IESO's operating expense/allocation, right? It's a program expense facilitated through the IESO.

Agree?

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Cc: Chris Skubel (MGS) <Chris.Skubel@ontario.ca>; Afshin Malekzadeh (MOHLTC) <Afshin.Malekzadeh@ontario.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
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To: John Kim <John.Kim@ofina.on.ca>

Subject: RE: Energy's PRRT

So do you want the final minutes, their submission, the assessment note?

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Sent: August 18, 2017 12:55 PM
To: Strang, James (TBS)
Cc: Bruno Amara
Subject: RE: Energy's PRRT

Last year's?

From: Strang, James (TBS) [mailto:James.Strang@ontario.ca]

Sent: Friday, August 18, 2017 12:54 PM

To: John Kim <John.Kim@ofina.on.ca>

Cc: Bruno Amara <Bruno.Amara@ofina.on.ca>

Subject: RE: Energy's PRRT

20-18-19 PRRT hasn't started as yet.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 18, 2017 12:53 PM
To: Strang, James (TBS)
Cc: Bruno Amara
Subject: Energy's PRRT

Hi James,

Hope all's well.

Can you share Energy's approved PRRT? Have some urgent stuff we are dealing with.

Thanks,

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
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From:	Sarah Harris
To:	John Kim
Subject:	RE: Energy"s PRRT
Date:	Thursday, October 19, 2017 9:50:31 AM

Thanks, John.

From: John Kim
Sent: Thursday, October 19, 2017 9:50 AM
To: Sarah Harris
Subject: RE: Energy's PRRT

Hi Sarah,
It is still on….waiting on IESO side now.
I didn't think it made sense to shut down an option at this point and they agreed to it.
John

From: Sarah Harris
Sent: Thursday, October 19, 2017 9:49 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: Energy's PRRT

Hi John,
Just wondering if you heard from Ken re: his meeting with Gadi and any further direction on the Ministerial Directive vs. the tripartite letter approach?
Thanks,
Sarah

From: Ken Kandeepan
Sent: Wednesday, October 18, 2017 9:59 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Subject: RE: Energy's PRRT

My meeting with Gadi on this and other issues has been rescheduled to 4PM today so will get back to you immediately after that.
Thanks
Ken k

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John, I checked with our MOECC analyst, Green ON Fund is an agency of MOECC and is flowing funding to IESO.

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To:	William Tan
Subject:	RE: Existing Credit Facility balance transfer to FHP Credit Facility
Date:	Wednesday, November 01, 2017 9:34:10 AM

We can't. Accounting is the least problematic aspect. Ken K. is aware.

From: William Tan
Sent: Wednesday, November 01, 2017 9:28 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: Existing Credit Facility balance transfer to FHP Credit Facility

Fyi,

George recommended waiting for John to return tomorrow.

-----Original Appointment-----
From: George Sakura
Sent: Wednesday, November 01, 2017 9:25 AM
To: William Tan
Subject: Tentative: Existing Credit Facility balance transfer to FHP Credit Facility
When: Wednesday, November 01, 2017 10:00 AM-10:30 AM (UTC-05:00) Eastern Time (US & Canada).
Where: Boardroom 1443

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From: William Tan
To: Lisa Stein
Cc: Sarah Harris
Subject: RE: FHP AA No. 10 - Order of Events
Date: Friday, October 27, 2017 9:55:00 AM

Hi Lisa,
Please put a hold on reviewing the internal and external checklists. I discussed the checklists with Sarah and we are going to simplify the communication with IESO.
Thanks,
Will

From: William Tan
Sent: Friday, October 27, 2017 8:49 AM
To: Lisa Stein
Cc: Sarah Harris
Subject: FHP AA No. 10 - Order of Events

Good morning Lisa,
Anthony has notified us of his intentions on Nov 21, to move the entire balance of $840mm + new advance, to the $2B credit facility. I have put together a timeline/checklist based on the aforementioned scenario in an effort to get everyone on the same page. You will notice that the FHP credit facility is set-up first to be available when the transfer is eventually ready to be done. The Amending Agreement No. 10 will be signed and reduced closer to the time of the transfer.
Please find the attached checklist outlining the order of events. I have also created a separate internal checklist. Please review both checklists so I may share the **EXTERNAL** checklist it with Anthony.
Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
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From: Sarah Harris
To: Caroline Swerdlyk; Lisa Stein; William Tan
Subject: RE: FHP Credit Facility
Date: Tuesday, September 05, 2017 1:28:47 PM

Hi,
I am available as well, but am also working from home and would teleconference in. 2:30 p.m. would be my preference.
Thanks,
Sarah

From: Caroline Swerdlyk
Sent: Tuesday, September 05, 2017 1:25 PM
To: Lisa Stein ; William Tan ; Sarah Harris
Subject: RE: FHP Credit Facility

Hi,
Since Lisa is back in the office, should we have a quick discussion on the current status of the documents? Would anytime between 1:30 and 3:00 work?
I am working from home today so can send out teleconference information if everyone is available.
Thanks,
Caroline

From: William Tan
To: Caroline Swerdlyk; Lisa Stein; Sarah Harris
Subject: RE: FHP Credit Facility
Date: Tuesday, September 05, 2017 1:28:00 PM

Hi Caroline,
I'm flexible today.

From: Caroline Swerdlyk
Sent: Tuesday, September 05, 2017 1:25 PM
To: Lisa Stein ; William Tan ; Sarah Harris
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From:	Risa Thau
To:	Sarah Harris
Cc:	Sujeev Jegatheeswaran; William Tan; Carlos Yep
Subject:	RE: FHP Grid notes
Date:	Thursday, November 02, 2017 4:23:48 PM

OK. Thanks Sarah.

Risa Thau

From: Sarah Harris
Sent: Thursday, November 02, 2017 4:18 PM
To: Risa Thau
Cc: Sujeev Jegatheeswaran ; William Tan ; Carlos Yep
Subject: RE: FHP Grid notes

Hi Risa,

Thanks for this. This is nice and exactly what IESO needs.

Just as a matter of clarity, for #3 it will be considered a "first" Borrowing Notice (not an Election Notice) under the new $2B FHP facility for a total advance of approx. $1.05B all for the RPP ($825M to fund the amount that has matured under the $975M facility + $225M). To recognize the cash netting of the $825M, we have included the following language in the new FHP agreement:

> *Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.*

Effectively, what this means is that IESO, under the "Use of Funds" section is going to include wording saying that IESO IS using $825M under the new FHP facility to pay off the $825M amount that is maturing (for the Regulated Price Plan Variance) under the existing $975M facility (recognizes the netting).

Thanks,

Sarah

From: Risa Thau
Sent: Thursday, November 02, 2017 3:39 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sujeev Jegatheeswaran <Sujeev.Jegatheeswaran@ofina.on.ca>
Subject: RE: FHP Grid notes

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From: William Tan
Sent: Thursday, November 02, 2017 2:05 PM
To: Risa Thau <Risa.Thau@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FHP Grid notes

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Best regards,

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From: Sarah Harris
To: Risa Thau
Cc: Sujeev Jegatheeswaran; William Tan; Carlos Yep
Subject: RE: FHP Grid notes
Date: Thursday, November 02, 2017 4:17:51 PM

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Risa Thau

From: William Tan
Sent: Thursday, November 02, 2017 2:05 PM
To: Risa Thau <Risa.Thau@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FHP Grid notes

Hello Risa,
I want to confirm with you that IESO will receive the following grid notes on November 21, based on the following rollover and advancement scenario.

1. $975M Credit Facility – IESO provides Election notice indicating IESO elects **NOT** to roll $825M and will pay interest of $905k
2. $975M Credit Facility – IESO provides Election notice to roll-over $10.6M + $2M (new advance)
3. $2B Credit Facility – IESO Borrowing Notice for $825M + $225M (new advance)

Grid notes produced on November 21 after advances are made, OFA to send via email updated grids reflecting:

- $475M facility, RRRP to show $12.6M;
- $975M facility, show zero balance owing ;
- $2B facility, fair hydro -> to show new fair hydro (RPP) balance $1.05B;

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Risa Thau
To: William Tan
Cc: Sarah Harris; Sujeev Jegatheeswaran
Subject: RE: FHP Grid notes
Date: Thursday, November 02, 2017 3:38:45 PM

Hi Will,

IESO will receive the following grid notes on November 21:

1. $975M Credit Facility – Based on IESO providing us with an Election notice indicating that they will **NOT** roll over the maturing $825M and will repay the interest for the Regulated Price Plan Variance (RPP), they will receive a Grid Note showing this repayment and the interest repayment of $905K. They will **NOT** receive another Grid Note showing a zero balance owing as this is not how Grid Notes are prepared.
2. $475M Credit Facility – Based on IESDO providing us with an Election notice indicating that they will roll over $10.6M and request an additional advance of $2M for the Rural and Remote Electricity Rate Protection Variance (RRRP), they will receive a Grid Note showing the rollover and the additional advance.
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From:	Risa Thau
To:	Sarah Harris
Cc:	Sujeev Jegatheeswaran; William Tan; Carlos Yep
Subject:	RE: FHP Grid notes
Date:	Thursday, November 02, 2017 4:23:48 PM

OK. Thanks Sarah.

Risa Thau

From: Sarah Harris
Sent: Thursday, November 02, 2017 4:18 PM
To: Risa Thau
Cc: Sujeev Jegatheeswaran ; William Tan ; Carlos Yep
Subject: RE: FHP Grid notes

Hi Risa,

Thanks for this. This is nice and exactly what IESO needs.

Just as a matter of clarity, for #3 it will be considered a "first" Borrowing Notice (not an Election Notice) under the new $2B FHP facility for a total advance of approx. $1.05B all for the RPP ($825M to fund the amount that has matured under the $975M facility + $225M). To recognize the cash netting of the $825M, we have included the following language in the new FHP agreement:

> *Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.*

Effectively, what this means is that IESO, under the "Use of Funds" section is going to include wording saying that IESO IS using $825M under the new FHP facility to pay off the $825M amount that is maturing (for the Regulated Price Plan Variance) under the existing $975M facility (recognizes the netting).

Thanks,

Sarah

From: Risa Thau
Sent: Thursday, November 02, 2017 3:39 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sujeev Jegatheeswaran <Sujeev.Jegatheeswaran@ofina.on.ca>
Subject: RE: FHP Grid notes

Hi Will,

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Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
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From:	Lisa Stein
To:	William Tan; John Kim; Sarah Harris
Subject:	RE: FHP Meeting
Date:	Wednesday, October 04, 2017 4:33:19 PM

That's fine with me

From: William Tan
Sent: Wednesday, October 04, 2017 4:12 PM
To: Lisa Stein ; John Kim ; Sarah Harris
Subject: FHP Meeting

Hello all,

Should we need to meet in the Capital Markets boardroom 10 mins before Anthony and Victor joins the call to discuss the Amending Agreement No 10, intercept provision?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
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Subject:	RE: FHP Meeting
Date:	Wednesday, October 04, 2017 4:33:19 PM

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Sent: Wednesday, October 04, 2017 4:12 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FHP Meeting

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Should we need to meet in the Capital Markets boardroom 10 mins before Anthony and Victor joins the call to discuss the Amending Agreement No 10, intercept provision?

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From:	Lisa Stein
To:	"Victor Buza"; Sarah Harris
Cc:	Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Final (ish)
Date:	Thursday, November 02, 2017 11:05:27 AM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v9 Nov 2.docx

Great, I think we are there too. I've made one further change to the definition of OFHP, adding in the full citation (see attached). If no one has any further comments, we will prepare an execution version (and make further formatting changes if required).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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****

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, November 01, 2017 5:58 PM
To: Lisa Stein ; Sarah Harris
Cc: Anthony Martinello ; John Kim ; Tobias P. Whitfield (MOF) ; William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Final (ish)

Ok, I think we may be there on the FHP credit agreement. See attached.

I have accepted all changes and only made one minor change, that being to the definition of OFHP, which I conformed with the version of the definition in AA#10. That is the only track change you should find in this document.

FYI I also hit return and deleted spaces in a few places in an effort to regularize the formatting, but feel free to make further formatting changes as required.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 4:01 PM
To: Victor Buza; Sarah Harris
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Victor,

Yes, all other changes to the Agreement are acceptable.

Thanks,

Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, November 01, 2017 3:30 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Thanks Lisa – good catch.

Can I assume that, apart from that change, all the other changes are acceptable to OFA? I'd like to go

through the Agreement accepting whatever tracked changes I can and see if anything is left of if it is now done.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 3:19 PM
To: Sarah Harris; Victor Buza
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Victor,
Upon further review, I note an additional minor change to this agreement:
s. 3.3(2)(d) – please replace "ENERGY" with "the Ministry of Energy", as "ENERGY" is not a defined term in this agreement.
Thank you,
Lisa

From: Sarah Harris
Sent: Wednesday, November 01, 2017 2:07 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hello Victor,
Lisa is in a meeting until 3 p.m.., so I am forwarding our comments on the FHP agreement on her behalf.
We have made a minor change to section 3.2(3) - specifically, we deleted the language "and shall also be noted in the grid of the Grid Note" following "The amount of the Repayment Amount shall be detailed in the Borrowing Notice." This is because the Repayment Amount ($825M) is not the first entry on the FHP Grid; the first entry will be for the entire advance of approximately $1B ($825M + new funds). Anthony and Will just had a call to discuss the particulars of what the various grid notes under the existing facility and new facility will be on November 21st (including partial repayment of the outstanding $840M loan) and Anthony will be circulating an e-mail summarizing that conversation. The Effective Date of the amending agreement to reduce the existing facility will also be November 21st, not November 22nd.
In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". It looks, in practice, that the intercept letter will be executed prior to these two facility agreements, so we surmise this would not be an issue.
We received your most recent draft of the amending agreement. Lisa will be able to review once she is out of her meeting, after 3 p.m.
Thanks,
Sarah

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim

<John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.

Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.

Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"

Comments on AA#10 to follow tomorrow morning.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079

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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

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"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license

or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other

lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or

inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the

prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]** as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Sarah Harris
To:	"Victor Buza"
Cc:	Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); Lisa Stein; William Tan
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Wednesday, November 01, 2017 2:07:02 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v8.. .docx

Hello Victor,
Lisa is in a meeting until 3 p.m.., so I am forwarding our comments on the FHP agreement on her behalf.
We have made a minor change to section 3.2(3) - specifically, we deleted the language "and shall also be noted in the grid of the Grid Note" following "The amount of the Repayment Amount shall be detailed in the Borrowing Notice." This is because the Repayment Amount ($825M) is not the first entry on the FHP Grid; the first entry will be for the entire advance of approximately $1B ($825M + new funds). Anthony and Will just had a call to discuss the particulars of what the various grid notes under the existing facility and new facility will be on November 21st (including partial repayment of the outstanding $840M loan) and Anthony will be circulating an e-mail summarizing that conversation. The Effective Date of the amending agreement to reduce the existing facility will also be November 21st, not November 22nd.
In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". It looks, in practice, that the intercept letter will be executed prior to these two facility agreements, so we surmise this would not be an issue.
We received your most recent draft of the amending agreement. Lisa will be able to review once she is out of her meeting, after 3 p.m.
Thanks,
Sarah

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.
Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.
Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"
Comments on AA#10 to follow tomorrow morning.
Regards,
Victor
Victor Buza | Senior Counsel

Independent Electricity System Operator (IESO) | T: 416-969-6079
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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November~~October~~ ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) ~~For the purposes of~~Respecting the first Advance to be made under this Agreement (the "**First Advance**"), ~~the purpose of which shall include the repayment of~~ a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the c~~C~~redit a~~A~~greement between the Parties dated January 1, 2005, as amended~~,~~ (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. ~~, and the IESO and the OFA agree that a specified portion of the entry of the First Advance shall also be noted on the grid of the Grid Note~~. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the~~, as indicated in the Borrowing~~

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~~Notice, shall constitute a~~ repayment ~~under the Existing Credit Facility~~of the Repayment Amount thereunder.~~.~~

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Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4

COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

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and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

~~(c)~~(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

~~(d)~~(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS4]: Okay; tracked language in AA#10

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the

matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]**~~October (·), 2017~~ as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

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This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Sarah Harris
To:	"Victor Buza"
Cc:	Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); Lisa Stein; William Tan
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Wednesday, November 01, 2017 2:07:02 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v8.. .docx

Hello Victor,
Lisa is in a meeting until 3 p.m.., so I am forwarding our comments on the FHP agreement on her behalf.
We have made a minor change to section 3.2(3) - specifically, we deleted the language "and shall also be noted in the grid of the Grid Note" following "The amount of the Repayment Amount shall be detailed in the Borrowing Notice." This is because the Repayment Amount ($825M) is not the first entry on the FHP Grid; the first entry will be for the entire advance of approximately $1B ($825M + new funds). Anthony and Will just had a call to discuss the particulars of what the various grid notes under the existing facility and new facility will be on November 21st (including partial repayment of the outstanding $840M loan) and Anthony will be circulating an e-mail summarizing that conversation. The Effective Date of the amending agreement to reduce the existing facility will also be November 21st, not November 22nd.
In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". It looks, in practice, that the intercept letter will be executed prior to these two facility agreements, so we surmise this would not be an issue.
We received your most recent draft of the amending agreement. Lisa will be able to review once she is out of her meeting, after 3 p.m.
Thanks,
Sarah

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.
Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.
Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"
Comments on AA#10 to follow tomorrow morning.
Regards,
Victor
Victor Buza | Senior Counsel

Independent Electricity System Operator (IESO) | T: 416-969-6079
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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November~~October~~ ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) ~~For the purposes of~~Respecting the first Advance to be made under this Agreement (the "**First Advance**"), ~~the purpose of which shall include the repayment of~~ a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the c~~C~~redit a~~A~~greement between the Parties dated January 1, 2005, as amended~~,~~ (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. ~~, and the IESO and the OFA agree that a specified portion of the entry of the First Advance shall also be noted on the grid of the Grid Note~~. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the~~, as indicated in the Borrowing~~

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~~Notice, shall constitute a~~ repayment ~~under the Existing Credit Facility~~of the Repayment Amount thereunder.~~.~~

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Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4

COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

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and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

~~(c)~~(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

~~(d)~~(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

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This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the

matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]**~~October (·), 2017~~ as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

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This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	John Kim
To:	Lisa Stein; Sarah Harris
Cc:	William Tan; Tobias P. Whitfield (MOF)
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Wednesday, November 01, 2017 1:39:35 PM

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To:	Tobias P. Whitfield (MOF)
Cc:	Sarah Harris; William Tan; John Kim
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Wednesday, November 01, 2017 1:27:58 PM

Thank you!

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: Wednesday, November 01, 2017 12:29 PM

To: Lisa Stein

Cc: Sarah Harris ; William Tan ; John Kim

Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

No concerns. Thanks.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 1, 2017 12:24 PM
To: Whitfield, Tobias P. (MOF)
Cc: Harris, Sarah (OFA); Tan, William (OFA); Kim, John (OFA)
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Toby,

I've just had a meeting with Sarah H. and we further tweaked the language in s. 3.2(3) to reflect the OFA's operational process – specifically, we deleted the language "and shall also be noted in the grid of the Grid Note" following "The amount of the Repayment Amount shall be detailed in the Borrowing Notice." Do you have any concerns with this deletion? I think it works as the newly added last sentence addresses the IESO's concerns regarding the evidencing of the repayment.

> Revised draft:
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Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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Hi Lisa – the amendments to s. 3.2(3) are fine with me.

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Subject: FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Importance: High

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To:	Lisa Stein; John Kim
Cc:	William Tan; Tobias P. Whitfield (MOF)
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Wednesday, November 01, 2017 1:05:17 PM

Hi John and Lisa,
In relation to Lisa's comment below "In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….", I think it looks like the IESO letter is going to be executed prior to the execution (John, correct me if I wrong about my timing assumption) of the two credit facilities, so I don't think IESO would have any issues with this change.
We are trying to touch base with Anthony to confirm the specific operational details outstanding from yesterday's call, but the wording in 3.2(3) now aligns with the OFA processes and addresses Anthony's concerns about evidencing repayment.
I suggest that the draft be sent over to Victor, unless anyone has any final comments.
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Cc: Sarah Harris ; William Tan ; John Kim
Subject: FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
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Cc:	Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Final (ish)
Date:	Wednesday, November 01, 2017 5:58:16 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v8. IESO Comment Nov 1 6pm.docx

Ok, I think we may be there on the FHP credit agreement. See attached.
I have accepted all changes and only made one minor change, that being to the definition of OFHP, which I conformed with the version of the definition in AA#10. That is the only track change you should find in this document.
FYI I also hit return and deleted spaces in a few places in an effort to regularize the formatting, but feel free to make further formatting changes as required.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 4:01 PM
To: Victor Buza; Sarah Harris
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Victor,
Yes, all other changes to the Agreement are acceptable.
Thanks,
Lisa

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Sent: Wednesday, November 01, 2017 3:30 PM
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Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Thanks Lisa – good catch.
Can I assume that, apart from that change, all the other changes are acceptable to OFA? I'd like to go through the Agreement accepting whatever tracked changes I can and see if anything is left of if it is now done.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 3:19 PM
To: Sarah Harris; Victor Buza
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Victor,
Upon further review, I note an additional minor change to this agreement:
s. 3.3(2)(d) – please replace "ENERGY" with "the Ministry of Energy", as "ENERGY" is not a defined term in this agreement.
Thank you,
Lisa

From: Sarah Harris
Sent: Wednesday, November 01, 2017 2:07 PM

To: 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Hello Victor,
Lisa is in a meeting until 3 p.m.., so I am forwarding our comments on the FHP agreement on her behalf.
We have made a minor change to section 3.2(3) - specifically, we deleted the language "and shall also be noted in the grid of the Grid Note" following "The amount of the Repayment Amount shall be detailed in the Borrowing Notice." This is because the Repayment Amount ($825M) is not the first entry on the FHP Grid; the first entry will be for the entire advance of approximately $1B ($825M + new funds). Anthony and Will just had a call to discuss the particulars of what the various grid notes under the existing facility and new facility will be on November 21st (including partial repayment of the outstanding $840M loan) and Anthony will be circulating an e-mail summarizing that conversation. The Effective Date of the amending agreement to reduce the existing facility will also be November 21st, not November 22nd.
In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". It looks, in practice, that the intercept letter will be executed prior to these two facility agreements, so we surmise this would not be an issue.
We received your most recent draft of the amending agreement. Lisa will be able to review once she is out of her meeting, after 3 p.m.
Thanks,
Sarah

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.
Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.
Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"
Comments on AA#10 to follow tomorrow morning.
Regards,
Victor
Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079

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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

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"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license

or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other

lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or

inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the

prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]** as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: Whitfield, Tobias P. (MOF)
To: Lisa Stein
Cc: Sarah Harris; William Tan; John Kim
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date: Wednesday, November 01, 2017 12:29:30 PM

No concerns. Thanks.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 1, 2017 12:24 PM
To: Whitfield, Tobias P. (MOF)
Cc: Harris, Sarah (OFA); Tan, William (OFA); Kim, John (OFA)
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Toby,

I've just had a meeting with Sarah H. and we further tweaked the language in s. 3.2(3) to reflect the OFA's operational process – specifically, we deleted the language "and shall also be noted in the grid of the Grid Note" following "The amount of the Repayment Amount shall be detailed in the Borrowing Notice." Do you have any concerns with this deletion? I think it works as the newly added last sentence addresses the IESO's concerns regarding the evidencing of the repayment.

> Revised draft:
>
> Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to the IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Thanks,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.

****

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: Wednesday, November 01, 2017 12:19 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Lisa – the amendments to s. 3.2(3) are fine with me.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 1, 2017 10:16 AM
To: Whitfield, Tobias P. (MOF)
Cc: Harris, Sarah (OFA); Tan, William (OFA); Kim, John (OFA)
Subject: FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Importance: High

Hi Toby,

What are your thoughts on the IESO's amendment to s. 3.2(3)? I believe it reflects the discussion from our conference call yesterday.

In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". Subject to any comments from documentation and CEFD, I am okay with the IESO's other proposed amendments.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****

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Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

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To: Lisa Stein
Cc: Sarah Harris; William Tan; John Kim
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date: Wednesday, November 01, 2017 12:29:30 PM

No concerns. Thanks.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 1, 2017 12:24 PM
To: Whitfield, Tobias P. (MOF)
Cc: Harris, Sarah (OFA); Tan, William (OFA); Kim, John (OFA)
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

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tobias.whitfield@ontario.ca
Phone: 416-325-1456

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Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320
****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
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From:	Whitfield, Tobias P. (MOF)
To:	Lisa Stein
Cc:	Sarah Harris; William Tan; John Kim
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Wednesday, November 01, 2017 12:19:13 PM

Hi Lisa – the amendments to s. 3.2(3) are fine with me.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 1, 2017 10:16 AM
To: Whitfield, Tobias P. (MOF)
Cc: Harris, Sarah (OFA); Tan, William (OFA); Kim, John (OFA)
Subject: FW: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Importance: High

Hi Toby,

What are your thoughts on the IESO's amendment to s. 3.2(3)? I believe it reflects the discussion from our conference call yesterday.

In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". Subject to any comments from documentation and CEFD, I am okay with the IESO's other proposed amendments.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****

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****

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.

Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.

Regarding the Intercept Letter, could you please consider amending the opening to the third

paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"
Comments on AA#10 to follow tomorrow morning.
Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

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To:	Lisa Stein
Cc:	Sarah Harris; William Tan; John Kim; Anthony Martinello
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Tuesday, October 31, 2017 5:49:25 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7 IESO Comments Oct 31.docx

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Victor

Victor Buza | Senior Counsel

Independent Electricity System Operator (IESO) | T: 416-969-6079

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Cc: Sarah Harris; William Tan; John Kim
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November~~October~~ ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) ~~For the purposes of~~Respecting the first Advance to be made under this Agreement (the "**First Advance**"), ~~the purpose of which shall include the repayment of a~~ specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the c~~C~~redit a~~A~~greement between the Parties dated January 1, 2005, as amended~~,~~ (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance, and ~~the IESO and the OFA agree that a specified portion of the entry of the First Advance~~ shall also be noted on the grid of the Grid Note. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the~~, as indicated in the Borrowing~~

Formatted: Font: Bold

~~Notice, shall constitute a~~ repayment ~~under the Existing Credit Facility~~of the Repayment Amount thereunder.~~.~~

Commented [LS1]: NTD: To be included the "Use of Funds" section

Formatted: Font: Times New Roman, 12 pt

Formatted: List Paragraph

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4

COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

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and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

~~(c)~~(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

~~(d)~~(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

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This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the

matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]**~~October (·), 2017~~ as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

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This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Victor Buza
To:	Lisa Stein
Cc:	Sarah Harris; William Tan; John Kim; Anthony Martinello
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Tuesday, October 31, 2017 5:49:25 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v7 IESO Comments Oct 31.docx

Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.

Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.

Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"

Comments on AA#10 to follow tomorrow morning.

Regards,

Victor

Victor Buza | Senior Counsel

Independent Electricity System Operator (IESO) | T: 416-969-6079

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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November~~October~~ ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the

fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) ~~For the purposes of~~Respecting the first Advance to be made under this Agreement (the "**First Advance**"), ~~the purpose of which shall include the repayment of a~~ specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the c~~C~~redit a~~A~~greement between the Parties dated January 1, 2005, as amended~~,~~ (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance, and ~~the IESO and the OFA agree that a specified portion of the entry of the First Advance~~ shall also be noted on the grid of the Grid Note. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the~~, as indicated in the Borrowing~~

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~~Notice, shall constitute a~~ repayment ~~under the Existing Credit Facility~~of the Repayment Amount thereunder.~~.~~

Commented [LS1]: NTD: To be included the "Use of Funds" section

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Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4

COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder

Commented [LS2]: Once confirmed, will track language in AA#10 as well.

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Commented [LS3]: Assumes letter signed on same date as agreement

and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

~~(c)~~(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

~~(d)~~(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

Commented [LS4]: Okay; tracked language in AA#10

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the

matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]**~~October (·), 2017~~ as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

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This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

To:	Lisa Stein
Cc:	William Tan; John Kim
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Date:	Tuesday, October 31, 2017 9:38:08 AM

From: Lisa Stein
Sent: Tuesday, October 31, 2017 9:21 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Thank you Victor.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 5:34 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Thanks Lisa. I will discuss with Anthony tomorrow morning and get back with any comments.

Just quickly on the Intercept Letter language, in my draft I left out the notion of the Agreement terms prevailing in case of a conflict because I thought the Intercept Letter was actually the more detailed and extensive. However, I will have another look to see if I can manage this issue – one way would be for me to add more language from the letter directly into the Credit Agreement.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you

are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

From:	Sarah Harris
To:	Lisa Stein
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Date:	Tuesday, October 31, 2017 9:35:20 AM

Thank you very much, Lisa for getting this out to Victor last night!
Sarah

From: Lisa Stein
Sent: Monday, October 30, 2017 4:19 PM
To: 'Victor Buza'
Cc: Sarah Harris ; William Tan ; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

From:	Victor Buza
To:	Lisa Stein; Sarah Harris
Cc:	Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Final (ish)
Date:	Wednesday, November 01, 2017 5:58:16 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v8. IESO Comment Nov 1 6pm.docx

Ok, I think we may be there on the FHP credit agreement. See attached.

I have accepted all changes and only made one minor change, that being to the definition of OFHP, which I conformed with the version of the definition in AA#10. That is the only track change you should find in this document.

FYI I also hit return and deleted spaces in a few places in an effort to regularize the formatting, but feel free to make further formatting changes as required.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 4:01 PM
To: Victor Buza; Sarah Harris
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Victor,

Yes, all other changes to the Agreement are acceptable.

Thanks,

Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, November 01, 2017 3:30 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Thanks Lisa – good catch.

Can I assume that, apart from that change, all the other changes are acceptable to OFA? I'd like to go through the Agreement accepting whatever tracked changes I can and see if anything is left of if it is now done.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 3:19 PM
To: Sarah Harris; Victor Buza
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hi Victor,

Upon further review, I note an additional minor change to this agreement:

s. 3.3(2)(d) – please replace "ENERGY" with "the Ministry of Energy", as "ENERGY" is not a defined term in this agreement.

Thank you,

Lisa

From: Sarah Harris
Sent: Wednesday, November 01, 2017 2:07 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hello Victor,

Lisa is in a meeting until 3 p.m.., so I am forwarding our comments on the FHP agreement on her behalf.

We have made a minor change to section 3.2(3) - specifically, we deleted the language "and shall also be noted in the grid of the Grid Note" following "The amount of the Repayment Amount shall be detailed in the Borrowing Notice." This is because the Repayment Amount ($825M) is not the first entry on the FHP Grid; the first entry will be for the entire advance of approximately $1B ($825M + new funds). Anthony and Will just had a call to discuss the particulars of what the various grid notes under the existing facility and new facility will be on November 21st (including partial repayment of the outstanding $840M loan) and Anthony will be circulating an e-mail summarizing that conversation. The Effective Date of the amending agreement to reduce the existing facility will also be November 21st, not November 22nd.

In terms of the intercept letter, we cannot amend the opening paragraph as the OFA Lending Policy requirement is that this agreement must be in place "prior to entering into a loan agreement….". It looks, in practice, that the intercept letter will be executed prior to these two facility agreements, so we surmise this would not be an issue.

We received your most recent draft of the amending agreement. Lisa will be able to review once she is out of her meeting, after 3 p.m.

Thanks,
Sarah

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Following our conference call this afternoon, please find attached a revised draft of the FHP Credit Facility. Main changes are to s.3.2(3) and to the Intercept provision. See also minor tweaks to the new Entire Agreement Clause (s.7.8) and to the Form of Grid Note (Schedule 3). Other than for s. 3.2(3), I accepted all of your changes so any changes you see are mine.

Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.

Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"

Comments on AA#10 to follow tomorrow morning.

Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079

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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

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"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license

or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other

lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or

inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the

prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]** as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Sarah Harris
To:	Lisa Stein
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Date:	Tuesday, October 31, 2017 9:35:20 AM

Thank you very much, Lisa for getting this out to Victor last night!
Sarah

From: Lisa Stein
Sent: Monday, October 30, 2017 4:19 PM
To: 'Victor Buza'
Cc: Sarah Harris ; William Tan ; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; John Kim; Anthony Martinello
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Date:	Tuesday, October 31, 2017 9:20:51 AM

Thank you Victor.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 5:34 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; John Kim ; Anthony Martinello
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Thanks Lisa. I will discuss with Anthony tomorrow morning and get back with any comments.
Just quickly on the Intercept Letter language, in my draft I left out the notion of the Agreement terms prevailing in case of a conflict because I thought the Intercept Letter was actually the more detailed and extensive. However, I will have another look to see if I can manage this issue – one way would be for me to add more language from the letter directly into the Credit Agreement.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; John Kim; Anthony Martinello
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7
Date:	Tuesday, October 31, 2017 9:20:51 AM

Thank you Victor.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 5:34 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; John Kim ; Anthony Martinello
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Thanks Lisa. I will discuss with Anthony tomorrow morning and get back with any comments.
Just quickly on the Intercept Letter language, in my draft I left out the notion of the Agreement terms prevailing in case of a conflict because I thought the Intercept Letter was actually the more detailed and extensive. However, I will have another look to see if I can manage this issue – one way would be for me to add more language from the letter directly into the Credit Agreement.
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Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

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From: Victor Buza
To: Lisa Stein
Cc: Sarah Harris; William Tan; John Kim; Anthony Martinello
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7
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From: Sarah Harris
To: William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v6 OFA Legal comments.docx
Date: Monday, October 30, 2017 1:26:04 PM

HI Will,

I also don't have any comments. Could you please respond on our behalf. Please note to Lisa that we understand that we won't be sending back this draft until language for netting is inserted. Do you have any comments on the amending agreement she sent?

Thanks,

Sarah

From: William Tan
Sent: Monday, October 30, 2017 1:22 PM
To: Sarah Harris
Subject: FW: FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v6 OFA Legal comments.docx

Hi Sarah,

I have no comments regarding the FHP.

From: Lisa Stein
Sent: Friday, October 27, 2017 4:13 PM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v6 OFA Legal comments.docx

Hi all,

Please see attached my black-lined responses and comments to the IESO's latest edits. I don't have any serious concerns with the proposed amendments. Please let me know if you have any further concerns. If everyone is satisfied with the intercept language, I will incorporate the same language into AA#10.

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Cc:	Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date:	Wednesday, November 01, 2017 4:00:59 PM

Hi Victor,
Yes, all other changes to the Agreement are acceptable.
Thanks,
Lisa

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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,
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Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel

Ontario Financing Authority
416-325-2320
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To: Lisa Stein; Sarah Harris
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31
Date: Wednesday, November 01, 2017 3:30:05 PM

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To:	"Victor Buza"; Sarah Harris
Cc:	Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); William Tan
Subject:	RE: FHP Revolving Credit Facility Agreement 2017-2022 Final (ish)
Date:	Thursday, November 02, 2017 11:05:27 AM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v9 Nov 2.docx

Great, I think we are there too. I've made one further change to the definition of OFHP, adding in the full citation (see attached). If no one has any further comments, we will prepare an execution version (and make further formatting changes if required).

Thank you,

Lisa

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Ok, I think we may be there on the FHP credit agreement. See attached.

I have accepted all changes and only made one minor change, that being to the definition of OFHP, which I conformed with the version of the definition in AA#10. That is the only track change you should find in this document.

FYI I also hit return and deleted spaces in a few places in an effort to regularize the formatting, but feel free to make further formatting changes as required.

Victor

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

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"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license

or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other

lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or

inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the

prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]** as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Caroline Swerdlyk; Sarah Harris; Sarah Neville
Cc:	Lisa Stein
Subject:	RE: FHP Revolving Credit Facility Agreement Execution version
Date:	Friday, September 01, 2017 1:10:45 PM

Hi Caroline,
That's right, I only added only Schedule 3.

From: Caroline Swerdlyk
Sent: Friday, September 01, 2017 1:09 PM
To: William Tan ; Sarah Harris ; Sarah Neville
Cc: Lisa Stein
Subject: RE: FHP Revolving Credit Facility Agreement Execution version

Hi Will,
Did you make any changes to the document, other than replacing the table in Schedule 3? If that's the case, then I don't think that I need to review it again.
Caroline

From: William Tan
Sent: Friday, September 01, 2017 1:02 PM
To: Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement Execution version

Hi Caroline,
I agree with your changes.
I have updated the Schedule 3, Grid Note.
Please review and comment. Once your review is completed, I will prepare a clean version and blackline it against the last version that was sent to IESO.
Thanks,
Will

From: Caroline Swerdlyk
Sent: Friday, September 01, 2017 12:08 PM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
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Please confirm the form of Grid Note in Schedule 3 is correct.
As discussed, I don't think you should call the document the execution version until it is finalized with the date etc.
Once internal OFA review is completed – please prepare a clean version and a blackline against the last version that was sent to the IESO.

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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: FHP Revolving Credit Facility Agreement Execution version

Hello all,

Please review and provide comments if you have any. The only change to this was Mike's title change. May I ask you to review this this morning?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From:	Caroline Swerdlyk
To:	William Tan; Sarah Harris; Sarah Neville
Cc:	Lisa Stein
Subject:	RE: FHP Revolving Credit Facility Agreement Execution version
Date:	Friday, September 01, 2017 1:09:30 PM

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To:	Caroline Swerdlyk; Sarah Harris; Sarah Neville
Cc:	Lisa Stein
Subject:	RE: FHP Revolving Credit Facility Agreement Execution version
Date:	Friday, September 01, 2017 1:01:57 PM
Attachments:	FHP credit facility agreement draft OFA Legal Aug 18 IESO Aug 28 (markup)v4.docx

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Best regards,
Will Tan| *Documentation & Analysis Specialist*
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: ~~August~~September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of ~~August~~September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

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"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (~~hg~~)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director—& Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

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SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated ~~August~~September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
	Total Principal Advanced									

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:
Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Caroline Swerdlyk; Sarah Harris; Sarah Neville
Cc:	Lisa Stein
Subject:	RE: FHP Revolving Credit Facility Agreement Execution version
Date:	Friday, September 01, 2017 1:01:57 PM
Attachments:	FHP credit facility agreement draft OFA Legal Aug 18 IESO Aug 28 (markup)v4.docx

Hi Caroline,

I agree with your changes.

I have updated the Schedule 3, Grid Note.

Please review and comment. Once your review is completed, I will prepare a clean version and blackline it against the last version that was sent to IESO.

Thanks,

Will

From: Caroline Swerdlyk
Sent: Friday, September 01, 2017 12:08 PM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement Execution version

Hi Will,

I made a few clean-ups in the attached (e.g. date of agreement changed from August to September on the first 2 pages and in the Schedules, fixed a cross-reference in s. 5.1(g), fixed Mike Manning's title in s. 7.1 Notices and the signature line).

Please confirm the form of Grid Note in Schedule 3 is correct.

As discussed, I don't think you should call the document the execution version until it is finalized with the date etc.

Once internal OFA review is completed – please prepare a clean version and a blackline against the last version that was sent to the IESO.

Thanks,
Caroline

From: William Tan
Sent: Friday, September 01, 2017 10:37 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: FHP Revolving Credit Facility Agreement Execution version

Hello all,

Please review and provide comments if you have any. The only change to this was Mike's title change. May I ask you to review this this morning?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: ~~August~~September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of ~~August~~September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

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"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (~~hg~~)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director—& Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

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SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated ~~August~~September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
	Total Principal Advanced									

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:
Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: Caroline Swerdlyk
To: William Tan; Sarah Harris; Sarah Neville
Cc: Lisa Stein
Subject: RE: FHP Revolving Credit Facility Agreement Execution version
Date: Friday, September 01, 2017 12:08:26 PM
Attachments: FHP Revolving Credit Facility Agreement 2017-2022 EXECUTION VERSION (markup).docx

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Hi Will,

I made a few clean-ups in the attached (e.g. date of agreement changed from August to September on the first 2 pages and in the Schedules, fixed a cross-reference in s. 5.1(g), fixed Mike Manning's title in s. 7.1 Notices and the signature line).

Please confirm the form of Grid Note in Schedule 3 is correct.

As discussed, I don't think you should call the document the execution version until it is finalized with the date etc.

Once internal OFA review is completed – please prepare a clean version and a blackline against the last version that was sent to the IESO.

Thanks,

Caroline

From: William Tan
Sent: Friday, September 01, 2017 10:37 AM
To: Sarah Harris ; Sarah Neville ; Caroline Swerdlyk
Cc: Lisa Stein
Subject: FHP Revolving Credit Facility Agreement Execution version

Hello all,

Please review and provide comments if you have any. The only change to this was Mike's title change. May I ask you to review this this morning?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged and confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message including any attachments, without reading it or making a copy. Thank you

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: ~~August~~ September (·), 2017

Commented [CS1]: This needs to be filled in for the "Execution version"

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of ~~August~~ September 2017,

Commented [CS2]: This needs to be filled in for the "Execution version"

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (gh)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director~~;~~ & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~ September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~ September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated ~~August~~ September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
	Total Principal Advanced									

Commented [CS3]: Please confirm this is the correct form of Grid Note.

Note: the Form of Grid Note in AA No. 10 doesn't have a "Total Principal Advanced" box

From: Caroline Swerdlyk
To: William Tan; Sarah Harris; Sarah Neville
Cc: Lisa Stein
Subject: RE: FHP Revolving Credit Facility Agreement Execution version
Date: Friday, September 01, 2017 12:08:26 PM
Attachments: FHP Revolving Credit Facility Agreement 2017-2022 EXECUTION VERSION (markup).docx

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Hi Will,

I made a few clean-ups in the attached (e.g. date of agreement changed from August to September on the first 2 pages and in the Schedules, fixed a cross-reference in s. 5.1(g), fixed Mike Manning's title in s. 7.1 Notices and the signature line).

Please confirm the form of Grid Note in Schedule 3 is correct.

As discussed, I don't think you should call the document the execution version until it is finalized with the date etc.

Once internal OFA review is completed – please prepare a clean version and a blackline against the last version that was sent to the IESO.

Thanks,

Caroline

From: William Tan
Sent: Friday, September 01, 2017 10:37 AM
To: Sarah Harris ; Sarah Neville ; Caroline Swerdlyk
Cc: Lisa Stein
Subject: FHP Revolving Credit Facility Agreement Execution version

Hello all,

Please review and provide comments if you have any. The only change to this was Mike's title change. May I ask you to review this this morning?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged and confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message including any attachments, without reading it or making a copy. Thank you

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: ~~August~~ September (·), 2017

Commented [CS1]: This needs to be filled in for the "Execution version"

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of ~~August~~ September 2017,

Commented [CS2]: This needs to be filled in for the "Execution version"

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (gh)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director~~;~~ & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~ September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated ~~August~~ September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated ~~August~~ September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days
	Total Principal Advanced									

Commented [CS3]: Please confirm this is the correct form of Grid Note.

Note: the Form of Grid Note in AA No. 10 doesn't have a "Total Principal Advanced" box

From:	William Tan
To:	Caroline Swerdlyk; Sarah Harris; Sarah Neville
Cc:	Lisa Stein
Subject:	RE: FHP Revolving Credit Facility Agreement Execution version
Date:	Friday, September 01, 2017 1:10:45 PM

Hi Caroline,

That's right, I only added only Schedule 3.

From: Caroline Swerdlyk
Sent: Friday, September 01, 2017 1:09 PM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement Execution version

Hi Will,

Did you make any changes to the document, other than replacing the table in Schedule 3? If that's the case, then I don't think that I need to review it again.

Caroline

From: William Tan
Sent: Friday, September 01, 2017 1:02 PM
To: Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement Execution version

Hi Caroline,

I agree with your changes.

I have updated the Schedule 3, Grid Note.

Please review and comment. Once your review is completed, I will prepare a clean version and blackline it against the last version that was sent to IESO.

Thanks,

Will

From: Caroline Swerdlyk
Sent: Friday, September 01, 2017 12:08 PM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP Revolving Credit Facility Agreement Execution version

Hi Will,

I made a few clean-ups in the attached (e.g. date of agreement changed from August to September on the first 2 pages and in the Schedules, fixed a cross-reference in s. 5.1(g), fixed Mike Manning's title in s. 7.1 Notices and the signature line).

Please confirm the form of Grid Note in Schedule 3 is correct.

As discussed, I don't think you should call the document the execution version until it is finalized with the date etc.

Once internal OFA review is completed – please prepare a clean version and a blackline against the last version that was sent to the IESO.

Thanks,
Caroline

From: William Tan
Sent: Friday, September 01, 2017 10:37 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: FHP Revolving Credit Facility Agreement Execution version

Hello all,

Please review and provide comments if you have any. The only change to this was Mike's title change. May I ask you to review this this morning?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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and may contain information that is privileged and confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message including any attachments, without reading it or making a copy. Thank you

From: William Tan
To: Sarah Harris
Subject: RE: FHP Status Update
Date: Monday, October 16, 2017 12:50:45 PM

Hi Sarah,
Will do.

From: Sarah Harris
Sent: Monday, October 16, 2017 12:23 PM
To: William Tan
Subject: FW: FHP Status Update

Hi Will,
As a note, could you please include Siva on these updates. I need to send Siva a separate update, but going forward, please include him.
Sarah

From: William Tan
Sent: Friday, October 13, 2017 5:19 PM
To: Carlos Yep <Carlos.Yep@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: FHP Status Update

Hello All,

This is to provide a status update for the existing $975 million OFA IESO Credit Facility (to be reduced to $475 million) and new $2 Billion FHP Credit Facility agreements. The agreements will be executed immediately after certain approvals have been made.

Currently, FHP related advances are being drawn on the existing $975 million OFA IESO Credit Facility. Once the agreements are in place, the intention is to have IESO draw primarily from the new $2 Billion FHP Credit Facility and reduce the existing $975 million OFA IESO Credit Facility down to the $475 million.

According to IESO the next draw will occur on October 20, for $840 million (outstanding loan + new advance).

The amount for the subsequent draw on November 21, is currently unknown but is expected to exceed the existing $975 million OFA IESO Credit Facility limit.

Assuming the $2 Billion FHP Credit Facility agreement is signed before November 21, we are considering two options for the November 21 advances:

(1) IESO will submit a borrowing notice for the November draw to be drawn entirely from the $2 Billion FHP Credit Facility.

Or

(2) IESO will submit a borrowing notice to draw a portion from the $2 Billion FHP Credit Facility in combination with an election notice to draw a portion of the remaining outstanding amount to allow for the existing OFA IESO Credit Facility to be reduced to a level below $475 million.

I will be consulting with IESO to determine which of these options will be chosen and will advise as to the option selected. I understand these facilities will need to be updated in OLMS. I am providing this information to all parties so that they may determine what arrangements are necessary in this regard.

Thanks,

Best regards,

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Capital Markets Division | Ontario Financing Authority
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From:	John Kim
To:	William Tan; Carlos Yep; Risa Thau; Alfonso Soriano
Cc:	Sarah Harris; Lisa Stein; Sarah Neville
Subject:	RE: FHP Status Update
Date:	Friday, October 13, 2017 5:38:05 PM

Hi William,

Thanks for the update. I would ask that in all interaction with IESO, we impress that they need to provide a response on the letter agreement that is required under the OFA's lending policy. Without a resolution on the intercept, there would be no $2bn facility to draw upon for the IESO.

Thanks,

John

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Sent: Friday, October 13, 2017 5:19 PM
To: Carlos Yep ; Risa Thau ; John Kim ; Alfonso Soriano
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Subject: FHP Status Update

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Thanks,

Best regards,

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To: Sarah Harris
Subject: RE: FHP Status Update
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Hi Sarah,
Will do.

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Sent: Monday, October 16, 2017 12:23 PM
To: William Tan
Subject: FW: FHP Status Update

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Sarah

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Sent: Friday, October 13, 2017 5:19 PM
To: Carlos Yep <Carlos.Yep@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>
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Will Tan| *Documentation & Analysis Specialist*
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From: Anthony Martinello
To: William Tan; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: RE: FHP and Amending Agreement No. 10 - Order of Events
Date: Monday, October 30, 2017 9:09:23 AM

Why not sign all docs on the same day this week including:
-intercept letter
-$2B facility
-the $975M non-rollover notice (this would confirm that in mid-Nov IESO will not rollover the $825M (the RRRP will continue to rollover with this facility) due on Nov 21)
-issue a rollover notice for $2B facility to say the $825M is being rolled over – note that I will need to borrow another approx. $225M too
-the AA # 10
This way all is in place by this week's end. Let me know or call me to discuss 905-403-6944.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 27, 2017 5:05 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FHP and Amending Agreement No. 10 - Order of Events

Hello Anthony and Victor,

Pending the execution of the intercept letter agreement next week, we can certainly target executing the FHP credit facility at that same time, however, we propose holding off the execution of the amending agreement until November 22nd .

Currently there is $840M outstanding under the existing credit facility agreement; we cannot reduce the limit of the $975M to $475M while the $840M is still outstanding. As per our discussion with Anthony, we understand that it is IESO's intention that the next draw for the whole balance of $840M (plus any new advancement) will be entirely funded through the new FHP facility (i.e. that is move all funding for next draw on November 21st from the existing $975 million Credit Facility to the $2 Billion FHP Credit Facility).

In order to achieve this with least disruption we propose:

- Sign the FHP Credit Facility agreement first next week (assuming intercept letter will be signed prior to or at the same time).
- For next advance, Prior to November 21st funding date, IESO sends to the OFA the FHP Borrowing Notice under the new Facility specifying the amount of the next advance ($840 million + new advance).
- Allow the $840 million outstanding under the existing $975 million Credit Facility to mature on November 21st and OFA will fund the November 21st advance (whereby OFA will send any net difference of funds above the $840M to IESO) under the new Facility.
- Arrange to execute Amending Agreement No. 10, on November 22 to reduce the existing credit facility on $475M.

Please provide your thoughts if this is suitable.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400

Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca
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From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	RE: FHP and Amending Agreement No. 10 - Order of Events
Date:	Friday, October 27, 2017 3:08:15 PM

Please see below. I've highlighted my proposed changes and comments.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320
****
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****

From: William Tan
Sent: Friday, October 27, 2017 2:27 PM
To: Lisa Stein
Cc: Sarah Harris
Subject: FW: FHP and Amending Agreement No. 10 - Order of Events

Hi Lisa,

I have included mention of the letter agreement and removed the term semi-executed. Business process aside, do you mind reviewing this before to IESO?

Thanks,

Will

Hello Anthony and Victor,

Pending the execution of the intercept letter agreement next week, we can certainly target executing the FHP credit facility at that same time, however, we propose holding off the ~~executing~~ execution of the amending agreement until November 22nd at the earliest (?).

Currently there is $840M outstanding under the existing credit facility agreement; we cannot reduce the limit of the $975M to $475M while the $840M is still outstanding. As per our discussion with Anthony, we understand that it is IESO's intention that the next draw for the whole balance of $840M (plus any new funding)[Will we allow for new funding; delete?] will be entirely funded through the new FHP facility (i.e. that is move all funding for next draw on November 21st from the existing $975 million Credit Facility to the $2 Billion FHP Credit Facility).

In order to achieve this with least disruption we propose:

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- Arrange to execute Amending Agreement No. 10~~, on November 22~~ to reduce the existing credit facility on $475M.

Please provide you thoughts if this is suitable.

From: Lisa Stein
Sent: Friday, October 27, 2017 10:47 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: FHP and Amending Agreement No. 10 - Order of Events

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From: William Tan
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To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FHP and Amending Agreement No. 10 - Order of Events

Hello Lisa,

Please review if you agree with the order of events so we may streamline the execution process with IESO.

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Please provide you thoughts is this is suitable.

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
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To:	Lisa Stein; William Tan
Subject:	RE: FHP and Amending Agreement No. 10 - Order of Events
Date:	Friday, October 27, 2017 10:53:04 AM

Hi Will,

From: Lisa Stein
Sent: Friday, October 27, 2017 10:47 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: FHP and Amending Agreement No. 10 - Order of Events

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Sent: Friday, October 27, 2017 10:42 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
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From: Sarah Harris
To: William Tan
Subject: RE: FHP and Amending Agreement No. 10 - Order of Events
Date: Friday, October 27, 2017 10:49:44 AM

Hi Will,

Just checking whether you discussed with Anthony, or if it was e-mail? Suggest you put steps in 2nd paragraph in bullets, because the phrasing in the context of a paragraph looks odd.
If you're responding to Victor on his e-mail, I suggest you start off the e-mail by stating that we expect to execute the FHP facility next week, but propose holding off to execute the amending agreement until November 22nd. Then go through the reasoning per below.
Also, Lisa is right. Instead of sending semi-executed. Just say we arrange to execute the agreement on November 22.
Thanks,
Sarah

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From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	RE: FHP and Amending Agreement No. 10 - Order of Events
Date:	Friday, October 27, 2017 10:46:54 AM

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From: William Tan
Sent: Friday, October 27, 2017 10:42 AM
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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FHP and Amending Agreement No. 10 - Order of Events

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From: Anthony Martinello
To: William Tan; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: RE: FHP and Amending Agreement No. 10 - Order of Events
Date: Monday, October 30, 2017 9:09:23 AM

Why not sign all docs on the same day this week including:
-intercept letter
-$2B facility
-the $975M non-rollover notice (this would confirm that in mid-Nov IESO will not rollover the $825M (the RRRP will continue to rollover with this facility) due on Nov 21)
-issue a rollover notice for $2B facility to say the $825M is being rolled over – note that I will need to borrow another approx. $225M too
-the AA # 10
This way all is in place by this week's end. Let me know or call me to discuss 905-403-6944.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 27, 2017 5:05 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FHP and Amending Agreement No. 10 - Order of Events

Hello Anthony and Victor,

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From: John Kim
To: William Tan; Sarah Harris; Lisa Stein; Caroline Swerdlyk; Sarah Neville; Bruno Amara
Subject: RE: FHP and Amending Agreement No. 10 update
Date: Wednesday, September 06, 2017 2:54:35 PM

Hi William,
I don't expect the OFA will move forward without a signed directive. Minister's flight was delayed today. I expect him to address this fairly soon after his return.
Thanks,
John

From: William Tan
Sent: Wednesday, September 06, 2017 10:59 AM
To: Sarah Harris ; Lisa Stein ; Caroline Swerdlyk ; Sarah Neville ; John Kim ; Bruno Amara
Subject: FHP and Amending Agreement No. 10 update

Good morning,
I have spoken to Anthony (IESO) this morning. He is pleased with the agreements so far and will be providing me with a status update on them this afternoon. He expects to have the agreements signed by Friday (subject to the directive getting signed). Anthony will be providing a status update to Moody's on Friday regardless of the outcome.
Best regards,

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From:	John Kim
To:	Sarah Harris; Sarah Neville
Cc:	Anna Strathy; Lisa Stein
Subject:	RE: FHP credit facility agreement - intercept
Date:	Thursday, September 21, 2017 11:30:27 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Ron had some comments….will send this version unless anyone has comments.
Thanks,
John

From: John Kim
Sent: Thursday, September 21, 2017 8:56 AM
To: Sarah Harris ; Sarah Neville
Cc: Anna Strathy ; Lisa Stein
Subject: RE: FHP credit facility agreement - intercept

Hi,
I haven't heard back from Tom McKinley as to his availability yet.
I have a suggestion to get this moving. Would everyone be okay with sharing the draft letter agreement, as Lisa drafted yesterday, with Tom? It may help the discussion move along.
Thanks,
John

From: Sarah Harris
Sent: Thursday, September 21, 2017 8:46 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP credit facility agreement - intercept

My schedule is open today for a call.
Sarah H.

From: Sarah Neville
Sent: Wednesday, September 20, 2017 7:59 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Re: FHP credit facility agreement - intercept

OK - I will make myself available. Might be helpful to have everyone who needs to be engaged on the same call so that we can get a decision and answer any questions.
Sarah

Sent from my iPhone

On Sep 20, 2017, at 4:57 PM, John Kim <John.Kim@ofina.on.ca> wrote:

> Ok, thanks Sarah. I asked Tom for his availability tomorrow suggesting that I'd organize a call with our legal staff.
>
> **From:** Sarah Neville

Sent: Wednesday, September 20, 2017 4:47 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP credit facility agreement - intercept

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I am writing in relation to the Independent Electricity System Operator's (IESO)~~'s~~ request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion ~~from the OFA~~ (the "New Credit Facility") to support ~~its~~the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

~~Pursuant to~~Under the OFA Lending Policy, the OFA ~~is~~ require~~d~~ ~~to include~~ an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement ~~from money appropriated by the Legislature for payment to the public body~~. I acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for the IESO [Energy to confirm] and the intent of such a provision is to apply if and when amounts were to be appropriated in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), on an unsecured basis, the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- ~~As such, t~~The OFA, the IESO, and MOE agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):
  - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and MOE agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance ~~is~~ would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").
  - Under the intercept provision, which shall be included in the Loan Agreements, the IESO also agrees that any notice from the OFA to the Minister of Finance in relation to its failure to pay under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

Commented [RK1]: I had thought the earlier discussion contemplated an acknowledgement / confirmation that at this time there are currently no amounts appropriated by the Legislature for the IESO and that these provisions would apply if amounts were appropriated in the future.

Has there been an update to that thinking?

Commented [JK2R1]: Updated.

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DRAFT

- Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with MOE and seek MOE's support in getting the IESO to pay the amounts owing within a reasonable cure period.

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, MOE will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and expected timing of such payments to be made by MOE. Upon request, MOE will provide similar information to the Minister of Finance.

- MOE acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, MOE will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

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To: Sarah Harris
Subject: RE: FHP credit facility agreement - intercept
Date: Thursday, September 21, 2017 8:54:21 AM

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To: Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP credit facility agreement - intercept

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Cc:	Anna Strathy; Sarah Harris; Lisa Stein
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Date:	Wednesday, September 20, 2017 4:47:15 PM

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Subject:	RE: FHP credit facility agreement - intercept
Date:	Thursday, September 21, 2017 9:11:29 AM

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Date:	Wednesday, September 20, 2017 4:32:27 PM

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To:	Sarah Harris; John Kim
Cc:	Anna Strathy; Lisa Stein
Subject:	RE: FHP credit facility agreement - intercept
Date:	Thursday, September 21, 2017 9:11:02 AM

None whatsoever, our understanding was that it would go out with the briefing note. The only caveat is that it might assist to have a call first to put it in context but this appears to be a chicken and egg situation.
We can also share the proposed contract language with IESO.
Sarah

From: Sarah Harris
Sent: Thursday, September 21, 2017 8:59 AM
To: John Kim ; Sarah Neville
Cc: Anna Strathy ; Lisa Stein
Subject: RE: FHP credit facility agreement - intercept
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Cc:	Anna Strathy; Lisa Stein
Subject:	RE: FHP credit facility agreement - intercept
Date:	Thursday, September 21, 2017 9:11:02 AM

None whatsoever, our understanding was that it would go out with the briefing note. The only caveat is that it might assist to have a call first to put it in context but this appears to be a chicken and egg situation.
We can also share the proposed contract language with IESO.
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Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP credit facility agreement - intercept

Hi John –

Toby from MOF Legal just called Lisa. Tom McKinley, counsel from MOE reached out to him in response to your memo to find out what the rationale was for the memo, apparently IESO reached out to Energy and expressed concern about what was going on.

I think it may be prudent to arrange for a policy level call tomorrow to provide reassurance that there is no substantive issue here, but in the absence of a directive we require inclusion of the intercept provisions. Notwithstanding that there are currently no appropriations. Once this is done the loan agreement can be finalized without further delay.

I've copied Anna given your earlier heads up to her. Please let me know how you would like to proceed.

Sarah

From: Lisa Stein
Sent: Wednesday, September 20, 2017 4:23 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: FHP credit facility agreement - intercept

Hi Sarah and John,

Please note that I will be away until Monday. I've provided Sarah Neville with a draft version of the agreement containing intercept provisions. In the even that this matter moves forward in the next couple of days, please contact Sarah.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

From:	John Kim
To:	Sarah Harris; Sarah Neville
Cc:	Anna Strathy; Lisa Stein
Subject:	RE: FHP credit facility agreement - intercept
Date:	Thursday, September 21, 2017 11:30:27 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Ron had some comments….will send this version unless anyone has comments.
Thanks,
John

From: John Kim
Sent: Thursday, September 21, 2017 8:56 AM
To: Sarah Harris ; Sarah Neville
Cc: Anna Strathy ; Lisa Stein
Subject: RE: FHP credit facility agreement - intercept

Hi,
I haven't heard back from Tom McKinley as to his availability yet.
I have a suggestion to get this moving. Would everyone be okay with sharing the draft letter agreement, as Lisa drafted yesterday, with Tom? It may help the discussion move along.
Thanks,
John

From: Sarah Harris
Sent: Thursday, September 21, 2017 8:46 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP credit facility agreement - intercept

My schedule is open today for a call.
Sarah H.

From: Sarah Neville
Sent: Wednesday, September 20, 2017 7:59 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Re: FHP credit facility agreement - intercept

OK - I will make myself available. Might be helpful to have everyone who needs to be engaged on the same call so that we can get a decision and answer any questions.
Sarah

Sent from my iPhone

On Sep 20, 2017, at 4:57 PM, John Kim <John.Kim@ofina.on.ca> wrote:

> Ok, thanks Sarah. I asked Tom for his availability tomorrow suggesting that I'd organize a call with our legal staff.
>
> **From:** Sarah Neville

Sent: Wednesday, September 20, 2017 4:47 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP credit facility agreement - intercept

Great John, thanks.

I think we can convey in any meetings that the agreements can move quickly as long as everyone agrees to add the intercept provision.

Sarah

From: John Kim
Sent: Wednesday, September 20, 2017 4:42 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP credit facility agreement - intercept

Hi Sarah,

I agree that we should aim for a policy level call tomorrow.

In my call with IESO staff, they expressed that they understood the rationale behind the approach, along the lines of no substantive issue as there is no appropriation here. At least the IESO staff fully understood that point. They do want this facility in place asap so it would not surprise me if they expressed frustration around the proposed approach and the delay.

As mentioned in my earlier email, this will be brought up potentially at tomorrow's meeting.

Thanks,

John

From: Sarah Neville
Sent: Wednesday, September 20, 2017 4:36 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP credit facility agreement - intercept

Hi John –

Toby from MOF Legal just called Lisa. Tom McKinley, counsel from MOE reached out to him in response to your memo to find out what the rationale was for the memo, apparently IESO reached out to Energy and expressed concern about what was going on.

I think it may be prudent to arrange for a policy level call tomorrow to provide reassurance that there is no substantive issue here, but in the absence of a directive we require inclusion of the intercept provisions. Notwithstanding that there are currently no appropriations. Once this is done the loan agreement can be finalized without further delay.

I've copied Anna given your earlier heads up to her. Please let me know how you would like to proceed.

Sarah

From: Lisa Stein
Sent: Wednesday, September 20, 2017 4:23 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: FHP credit facility agreement - intercept

Hi Sarah and John,

Please note that I will be away until Monday. I've provided Sarah Neville with a draft version of the agreement containing intercept provisions. In the even that this matter moves forward in the next couple of days, please contact Sarah.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

I am writing in relation to the Independent Electricity System Operator's (IESO)~~'s~~ request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion ~~from the OFA~~ (the "New Credit Facility") to support ~~its~~the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

~~Pursuant to~~Under the OFA Lending Policy, the OFA ~~is~~ require~~d~~ ~~to include~~ an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement ~~from money appropriated by the Legislature for payment to the public body~~. I acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for the IESO [Energy to confirm] and the intent of such a provision is to apply if and when amounts were to be appropriated in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), on an unsecured basis, the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- ~~As such, t~~The OFA, the IESO, and MOE agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):
  - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and MOE agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance ~~is~~ would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").
  - Under the intercept provision, which shall be included in the Loan Agreements, the IESO also agrees that any notice from the OFA to the Minister of Finance in relation to its failure to pay under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

Commented [RK1]: I had thought the earlier discussion contemplated an acknowledgement / confirmation that at this time there are currently no amounts appropriated by the Legislature for the IESO and that these provisions would apply if amounts were appropriated in the future.

Has there been an update to that thinking?

Commented [JK2R1]: Updated.

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DRAFT

- Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with MOE and seek MOE's support in getting the IESO to pay the amounts owing within a reasonable cure period.

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, MOE will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and expected timing of such payments to be made by MOE. Upon request, MOE will provide similar information to the Minister of Finance.

- MOE acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, MOE will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

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DRAFT

From: Lisa Stein
To: William Tan; Sarah Harris
Subject: RE: FHP credit facility agreement Sept 8 OFA.docx
Date: Monday, September 11, 2017 2:41:21 PM

I don't have any additional comments.
Thanks,
Lisa

From: William Tan
Sent: Monday, September 11, 2017 2:10 PM
To: Lisa Stein ; Sarah Harris
Subject: RE: FHP credit facility agreement Sept 8 OFA.docx

Hello Lisa,
I have accepted the appropriate changes made minor changes. If you don't have additional comments, I will forward this version to Anthony and Victor.
Thanks,
Will

From: Lisa Stein
Sent: Monday, September 11, 2017 11:54 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: FHP credit facility agreement Sept 8 OFA.docx

Latest version

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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****

From: William Tan
To: Lisa Stein; Sarah Harris
Subject: RE: FHP credit facility agreement Sept 8 OFA.docx
Date: Monday, September 11, 2017 2:10:18 PM
Attachments: FHP credit facility agreement Sept 8 OFA.docx

Hello Lisa,

I have accepted the appropriate changes made minor changes. If you don't have additional comments, I will forward this version to Anthony and Victor.

Thanks,

Will

From: Lisa Stein

Sent: Monday, September 11, 2017 11:54 AM

To: Sarah Harris ; William Tan

Subject: FHP credit facility agreement Sept 8 OFA.docx

Latest version

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2~~1~~. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such A~~a~~dvances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

Commented [WT1]: Amended as per previous comment.

Commented [WT2]: Amended as per previous comment.

Commented [WT3]: Comment amended as per email.

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

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~~By:~~

Formatted: Font: Bold

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: William Tan
To: Lisa Stein; Sarah Harris
Subject: RE: FHP credit facility agreement Sept 8 OFA.docx
Date: Monday, September 11, 2017 2:10:18 PM
Attachments: FHP credit facility agreement Sept 8 OFA.docx

Hello Lisa,

I have accepted the appropriate changes made minor changes. If you don't have additional comments, I will forward this version to Anthony and Victor.

Thanks,

Will

From: Lisa Stein

Sent: Monday, September 11, 2017 11:54 AM

To: Sarah Harris ; William Tan

Subject: FHP credit facility agreement Sept 8 OFA.docx

Latest version

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2~~1~~. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such A~~a~~dvances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

Commented [WT1]: Amended as per previous comment.

Commented [WT2]: Amended as per previous comment.

Commented [WT3]: Comment amended as per email.

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

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~~By:~~

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Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: Lisa Stein
To: William Tan; Sarah Harris
Subject: RE: FHP credit facility agreement Sept 8 OFA.docx
Date: Monday, September 11, 2017 2:41:21 PM

I don't have any additional comments.
Thanks,
Lisa

From: William Tan
Sent: Monday, September 11, 2017 2:10 PM
To: Lisa Stein ; Sarah Harris
Subject: RE: FHP credit facility agreement Sept 8 OFA.docx

Hello Lisa,
I have accepted the appropriate changes made minor changes. If you don't have additional comments, I will forward this version to Anthony and Victor.
Thanks,
Will

From: Lisa Stein
Sent: Monday, September 11, 2017 11:54 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: FHP credit facility agreement Sept 8 OFA.docx

Latest version

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From:	Victor Buza
To:	Lisa Stein
Cc:	William Tan; Sarah Neville; Sarah Harris; John Kim; Anthony Martinello
Subject:	RE: FHP credit facility agreement amended - IESO Legal comments
Date:	Friday, October 27, 2017 1:01:30 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5 IESO Legal comments.docx

Hi Lisa. Attached is a document showing my comments on the Intercept language to make it more consistent with the Intercept Letter, and some minor fixes to the Entire Agreement clause you added to the v.5 draft.

You may also wish to add the new defined terms to the definitions section.

Happy to discuss this afternoon after 3 pm if you have any questions.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 24, 2017 2:53 PM
To: Victor Buza
Cc: William Tan; Sarah Neville; Sarah Harris; John Kim
Subject: FHP credit facility agreement amended

Hi Victor,

Thank you for your voicemail. We are still reviewing the latest version of the intercept letter agreement and will get back to you regarding the IESO's comments shortly.

In addition, we have made an additional minor amendment to the credit facility agreement to add an "Entire Agreement" paragraph, in section 7.8. I've attached a black-lined version, as well as a new execution version (v.5), of the agreement for your review.

Please let me know if you have any concerns with this latest amendment to the credit facility agreement.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO’s role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"**Person**" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"**Purchase Money Mortgage**" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"**Repayment Date**" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"**Stated Maturity**" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay when due under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing under this Agreement and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay when due under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay when due to the OFA shall be deducted from the Appropriated Funds and paid to the OFA. The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistent with the terms set out in the Intercept Letter which shall apply in full.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and

capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.~~9~~8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: Victor Buza
To: Lisa Stein
Cc: William Tan; Sarah Neville; Sarah Harris; John Kim; Anthony Martinello
Subject: RE: FHP credit facility agreement amended - IESO Legal comments
Date: Friday, October 27, 2017 1:01:30 PM
Attachments: FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5 IESO Legal comments.docx

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Hi Lisa. Attached is a document showing my comments on the Intercept language to make it more consistent with the Intercept Letter, and some minor fixes to the Entire Agreement clause you added to the v.5 draft.
You may also wish to add the new defined terms to the definitions section.
Happy to discuss this afternoon after 3 pm if you have any questions.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 24, 2017 2:53 PM
To: Victor Buza
Cc: William Tan; Sarah Neville; Sarah Harris; John Kim
Subject: FHP credit facility agreement amended

Hi Victor,
Thank you for your voicemail. We are still reviewing the latest version of the intercept letter agreement and will get back to you regarding the IESO's comments shortly.
In addition, we have made an additional minor amendment to the credit facility agreement to add an "Entire Agreement" paragraph, in section 7.8. I've attached a black-lined version, as well as a new execution version (v.5), of the agreement for your review.
Please let me know if you have any concerns with this latest amendment to the credit facility agreement.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO’s role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"**Person**" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"**Purchase Money Mortgage**" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"**Repayment Date**" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"**Stated Maturity**" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay when due under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed~~s~~ to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing~~of~~ the IESO's failure to pay when due any amounts owing under this Agreement and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay when due under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed~~s~~ to pay when due to the OFA shall be deducted from the Appropriated Funds and paid to the OFA. The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistent with the terms set out in the Intercept Letter which shall apply in full.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and

capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including~~and~~ the s~~S~~chedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties~~parties~~ before the date the OFA signs this Agreement.

Section 7.~~9~~8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Sarah Harris
To:	Tobias P. Whitfield (MOF)
Subject:	RE: Fair Hydro -- Form of ISDA Schedule
Date:	Wednesday, October 25, 2017 2:48:21 PM

Thanks, Toby.

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Wednesday, October 25, 2017 2:39 PM
To: Sarah Harris ; Malle Hanslep (MOF)
Cc: Opal Kandelas ; Mike Manning ; Dean Hwang
Subject: RE: Fair Hydro -- Form of ISDA Schedule

Sarah – please see attached.

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: October 25, 2017 2:32 PM
To: Hanslep, Malle (MOF)
Cc: Whitfield, Tobias P. (MOF); Kandelas, Opal (OFA); Manning, Mike (OFA); Dean Hwang
Subject: FW: Fair Hydro -- Form of ISDA Schedule

Hi Malle,

When you're available to discuss, please let me know. If it is possible for you to share the draft schedule in advance, that would be helpful.

Thanks,

Sarah

From: Mike Manning
Sent: Tuesday, October 24, 2017 6:49 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Opal Kandelas <Opal.Kandelas@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Re: Fair Hydro -- Form of ISDA Schedule

I think that is a good idea. We may need all hands on deck.
Thanks, Mike

Sent from my iPhone

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> Hi Mike
>
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>
> Perhaps we can discuss this tomorrow?

Thanks
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Mansoori, Nina <nmansoori@torys.com>
Sent: Tuesday, October 24, 2017 17:21
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
Cc: Feldman, Michael; Ramchandani, Rima; Olusoga, Yinka; Saulnier, Brett; Mansoori, Nina
Subject: RE: Fair Hydro -- Form of ISDA Schedule

All,

We attach a draft Schedule for an ISDA Master Agreement to be used for hedging purposes in connection with the issuance of Fair Hydro debt. This draft is subject to the working group's review and comment.

Best Regards,
Nina

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada |
www.torys.com[torys.com]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=1VTa1zXh4KcvkaKlO9-ARX4ZdAPchHFOUlZrzzbEKu8&s=WV1r2al3I6I7hp4_ENGNsOCi-ONgrumWNDvMZJ5snis&e= >
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=1VTa1zXh4KcvkaKlO9-ARX4ZdAPchHFOUlZrzzbEKu8&s=WV1r2al3I6I7hp4_ENGNsOCi-ONgrumWNDvMZJ5snis&e= >

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From:	Whitfield, Tobias P. (MOF)
To:	Sarah Harris; Malle Hanslep (MOF)
Cc:	Opal Kandelas; Mike Manning; Dean Hwang
Subject:	RE: Fair Hydro -- Form of ISDA Schedule
Date:	Wednesday, October 25, 2017 2:38:45 PM
Attachments:	Fair Hydro – Form of ISDA Schedule.docx

Sarah – please see attached.

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

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Best Regards,
Nina

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada |
www.torys.com[torys.com]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=1VTa1zXh4KcvkaKlO9-ARX4ZdAPchHFOUlZrzzbEKu8&s=WV1r2al3I6I7hp4_ENGNsOCi-ONgrumWNDvMZJ5snis&e= >
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=1VTa1zXh4KcvkaKlO9-ARX4ZdAPchHFOUlZrzzbEKu8&s=WV1r2al3I6I7hp4_ENGNsOCi-ONgrumWNDvMZJ5snis&e= >

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<Fair Hydro – Form of ISDA Schedule.docx>

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ISDA®

International Swaps Dealers Association, Inc.

SCHEDULE
to the
1992 Master Agreement

dated as of **[■]**, 2017

between

[HEDGE PROVIDER]
("**Party A**"),

and

[ISSUER]
("Party B")

Part 1 **Termination Provisions.**

(a) ***"Specified Entity"*** means in relation to Party A for the purpose of:

Section 5(a)(v), Not Applicable

Section 5(a)(vi), Not Applicable

Section 5(a)(vii), Not Applicable

Section 5(b)(iv), Not Applicable

and in relation to Party B for the purpose of:

Section 5(a)(v), Not Applicable,

Section 5(a)(vi), Not Applicable

Section 5(a)(vii), Not Applicable

Section 5(b)(iv), Not Applicable

(b) ***"Specified Transaction"*** will have the meaning specified in Section 14 of the Agreement.

(c) The ***"Breach of Agreement"*** provision of Section 5(a)(ii) will apply to Party A and will not apply to Party B.

(d) The ***"Credit Support Default"*** provisions of Section 5(a)(iii) will apply to Party A and will not apply to Party B.

(e) The ***"Misrepresentation"*** provisions of Section 5(a)(iv) will apply to Party A and will not apply to Party B.

(f) The ***"Default under Specified Transaction"*** provisions of Section 5(a)(v) will **[not]** apply to Party A and will not apply to Party B.

(g) The ***"Cross-Default"*** provisions of Section 5(a)(vi) will not apply to Party A and will not apply to Party B.

(h) The ***"Credit Event Upon Merger"*** provisions of Section 5(b)(iv) will not apply to Party A and will not apply to Party B.

(i) The ***"Automatic Early Termination"*** provision of Section 6(a) will not apply to Party A and will not apply to Party B.

(j) ***Payments on Early Termination***. For the purpose of Section 6(e) of this Agreement:

(i) Market Quotation will apply.

(ii) The Second Method will apply.

(k) ***Payments on Early Termination Due to Certain Events***. Notwithstanding Section 6, if Party A is (A) the Affected Party for an Additional Termination Event or a Tax Event Upon Merger, or (B) the Defaulting Party for an Event of Default, paragraphs (i) to (v) below apply:

(i) The definition of ***"Market Quotation"*** is deleted and replaced with the following:

"Market Quotation" means, for one or more Terminated Transactions, a Firm Offer which is:

(1) made by a Reference Market-maker that is an Eligible Replacement;

(2) for an amount that would be paid to Party B (expressed as a negative number) or by Party B (expressed as a positive number) in consideration of an agreement between Party B and the Reference Market-maker to enter into a Replacement Transaction; and

(3) made on the basis that Unpaid Amounts for the Terminated Transaction or group of Transactions are to be excluded but any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of any conditions precedent) after that Early Termination Date is to be included.

(ii) In determining whether or not a Firm Offer satisfies the condition in sub-paragraph (ii)(B) of the definition of "Replacement Transaction", Party B will act in a commercially reasonable manner.

(iii) The definition of ***"Settlement Amount"*** is deleted and replaced with the following:

"Settlement Amount" means, for any Early Termination Date:

(a) if, on or prior to the Early Termination Date, a Market Quotation for a Terminated Transaction or group of Terminated Transactions is accepted by Party B and is legally

binding, the Termination Currency Equivalent of the amount (whether positive or negative) of the Market Quotation;

(b) if, on the Early Termination Date, no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions has been accepted by Party B and is legally binding and one or more Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, the Termination Currency Equivalent of the amount (whether positive or negative) of the lowest of the Market Quotations (for the avoidance of doubt, (i) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number and (ii) the lower of two Market Quotations expressed as negative numbers is the one with the largest absolute value); or

(c) if, on the Early Termination Date, no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions is accepted by Party B and is legally binding and no Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, Party B's Loss (whether positive or negative and without reference to any Unpaid amounts) for the relevant Terminated Transaction or group of Terminated Transactions.

(iv) At any time on or before the Early Termination Date at which two or more Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, Party B must accept the lowest of the Market Quotations. For this purpose, (A) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number, and (B) the lower of two Market Quotations expressed as negative numbers is the one with the largest absolute value.

(v) If Party B requests Party A in writing to obtain Market Quotations, Party A will use reasonable efforts to do so before the Early Termination Date.

(vi) For the purpose of determining Unpaid Amounts, any payment or delivery obligation which was (or would have been but for Section 2(a)(iii)) required to be performed pursuant to paragraph 2 of the Credit Support Annex shall be disregarded.

(l) ***"Termination Currency"*** shall mean Canadian dollars.

(m) ***Bankruptcy***

(i) Section 5(a)(vii)(2), (7) and (9) does not apply to Party B.

(ii) Section 5(a)(vii)(3) does not apply to Party B for any assignment, arrangement or composition effected by or under the Indenture Documents.

(iii) Section 5(a)(vii)(4) does not apply to Party B for a proceeding or petition instituted or presented by Party A or any of its Affiliates.

(iv) Section 5(a)(vii)(6) does not apply to Party B for (i) an appointment that is made under the Indenture Documents, or (ii) an appointment to which Party B is not subject.

(v) Section 5(a)(vii)(8) applies to Party B only if it applies to Section 5(a)(vii)(1), (3), (4), (5) and (6), as amended.

(n) ***Tax Event and Tax Event Upon Merger***

Section 5(b)(ii) applies but the words "(x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y)" are hereby deleted.

Section 5(b)(iii) applies but Party A will not be entitled to designate an Early Termination Date by reason of a Tax Event Upon Merger if it is the Affected Party.

Section 6(b)(ii) applies but the words "or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party" are deleted.

(o) ***Additional Termination Event*** will apply. The following shall constitute an Additional Termination Event:

(i) It shall be an Additional Termination Event and Party B shall be the sole Affected Party and all Transactions then outstanding shall be Affected Transactions if Party B fails to comply with the requirements of Part 5(o).

(ii) It shall be an Additional Termination Event and Party A shall be the sole Affected Party and all Transactions then outstanding shall be the Affected Transactions if Party A fails to comply with the requirements of Part 5(h).

(iii) It shall be an Additional Termination Event and Party B shall be the sole Affected Party upon an acceleration of the Series [■] Notes under Section **[8.02]** of the Trust Indenture.

(iv) **[NTD: consider including a partial termination provision to facilitate right-sizing interest rate hedges following any unscheduled reductions of the underlying financed amounts]**

Part 2 **Tax Representations. [NTD: subject to Tax review]**

(a) ***Payer Representations.*** For the purpose of Section 3(e) of this Agreement, Party A and Party B will make the following representations.

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d)(ii) or 6(e) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, except that it will not be a breach of this representation where reliance is placed on clause (ii) above and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

(b) ***Payee Representations.*** For the purpose of Section 3(f) of this Agreement, Party A and Party B make the representations specified below, if any:

(i) Party A and Party B each make the following representation:

It is not a non-resident of Canada within the meaning of the *Income Tax Act (Canada).*

(c) ***Other representations:*** None made.

Part 3 **Agreement to Deliver Documents.**

For the purpose of Sections 4(a)(i) and 4(a)(ii) of this Agreement, each party agrees to deliver the following documents, as applicable:

(a) Tax forms, documents or certificates to be delivered are:

Party required to deliver document	**Form/Document/ Certificate**	**Date by which to be delivered**
Each Party	Any document required or reasonably requested to allow the other party to make payments under the Agreement without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate.	Promptly upon reasonable demand by either party.

(b) Other documents to be delivered are:

Party required to deliver document	**Form/Document/ Certificate**	**Date by which to be delivered**	**Covered by Section 3(d) Representation**
Each Party	Evidence satisfactory in form and substance to the other party of (i) the authority of the signatory of the party to execute this Agreement **[and Credit Support Annex]** and any Confirmation and (ii) list of the names, true signatures of the signatory of this Agreement or any Confirmation.	Upon execution of this Agreement	Yes
Party A	A copy of unaudited financial statements for the most recently ended fiscal year.	As soon as reasonably practicable following a request by Party B to the extent not publically available online	No
Each Party	Legal opinion satisfactory to the other Party.	Upon execution of this Agreement	Yes
Party B	ISDA Cross-Border Swaps Representation Letter	If requested by Party A, upon execution and delivery of this Agreement.	No.
Party A and B	ISDA Canadian Representation Letter #1	Upon execution and delivery of this Agreement.	No.

Part 4 **Miscellaneous.**

(a) ***Addresses for Notices.*** For the purpose of Section 12(a) of this Agreement:

Address for notices or communications to Party A: **[NTD: ■]**

Address: ■
Attention: ■
Facsimile: ■ Telephone: ■
Electronic Messaging System Details: ■
(Only with respect to transactions through this Office)

For any notices with respect to Section 5 and 6 of this Agreement for Party A:

Address: ■
Attention: ■
Facsimile: ■ Telephone: ■
E-mail: ■

Address for notices or communications to Party B:

[ISSUER]
c/o Ontario Power Generation Inc.
100 University Avenue, 11th Floor
Toronto, Ontario, M5J 2Y1

Attn: [■]
Fax: [■]
Email: [■]

with copies to:

[ISSUER TRUSTEE], in its capacity as Issuer Trustee for [ISSUER]

Attn: [■]
Fax: [■]
Email: [■]

Notwithstanding Section 12(a) of this Agreement, service of legal process documents relating to this Agreement may not be delivered by facsimile or by electronic messaging system.

(b) ***Process Agent***. For the purpose of Section 13(c) of this Agreement, neither party appoints a Process Agent.

(c) ***Offices***. The provisions of Section 10(a) will apply to this Agreement.

(d) ***Multibranch Party***. For the purpose of Section 10(c) of this Agreement:

Party A **[is][is not]** a Multibranch Party and may only enter into a Transaction through any of the following Offices:

Party B is not a Multibranch Party.

(e) ***Calculation Agent***. The Calculation Agent is Party A unless (i) otherwise specified in a Confirmation in relation to the relevant Transaction or (ii) a replacement Calculation Agent is designated by Party B as set

forth below. All calculations by the Calculation Agent shall be made in good faith and through the exercise of its commercially reasonable judgment. The calculations and determinations of the Calculation Agent shall (except in the case of manifest error) be final and binding upon all parties. Upon the failure of Party A to perform its obligations as Calculation Agent hereunder within five Local Business Days of Party A receiving from Party B notice of such failure, the sole remedy of Party B will be the right, upon notice to the Calculation Agent, to designate a third party that is a Reference Market-maker as replacement Calculation Agent. For so long as an Event of Default in respect of Party A is continuing, Party B will have the right, upon notice to the Calculation Agent, to designate a third party that is a Reference Market-maker as replacement Calculation Agent, without prejudice to any other remedy to which Party B is otherwise entitled under this Agreement. Upon Party A demonstrating its ability to resume performance of its obligations as Calculation Agent or such Event of Default no longer continuing, Party A may elect to resume its role as Calculation Agent.

(f) ***Credit Support Document***. Details of any Credit Support Document:

In relation to Party A: any Eligible Guarantee,

In relation to Party B: not applicable.

(g) ***Credit Support Provider***. Credit Support Provider means in relation to Party A, any Eligible Guarantor, and in relation to Party B; not applicable.

(h) ***Governing Law***. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (without reference to choice of law doctrine).

(i) ***Jurisdiction***. Section 13(b)(i) is hereby deleted and replaced by the following Section 13(b)(i):
"(i) submits to the exclusive jurisdiction of the Province of Ontario."

(j) ***Netting of Payments***. Subparagraph (ii) of Section 2(c) of this Agreement will not apply.

(k) ***"Affiliate"*** will have the meaning specified in Section 14 of this Agreement.

(l) ***Characterization under Program Agreements.*** The parties acknowledging and agree that:

(i) The Master Agreement and this Schedule constitute a "Derivative Agreement" as used and defined under the Indenture Documents and a "derivative agreement" as defined under the Act.

(ii) Party B is a "Derivative Counterparty" as used and defined under the Indenture Documents and a "derivative agreement" as defined under the Act.

(iii) Any payments required in connection with the Master Agreement and this Schedule will be "derivative payments" as defined under the Act.

Part 5 **Other Provisions.**

(a) ***Definitions***. Reference is hereby made to the 2006 ISDA Definitions (the "2006 Definitions") as published by the International Swaps and Derivatives Association, Inc. ("ISDA") or to any subsequent update being the then current version of the 2006 Definitions. Any terms used and not otherwise defined herein which are contained in the Definitions shall have the meaning set forth therein, and if not contained in the Definitions, will have the meanings specified in the Supplemental Indenture, either directly or by reference. If there is any inconsistency between this Agreement and the Definitions, this Agreement will govern. If there is inconsistency between a Confirmation and this Agreement or the Definitions, the Confirmation will govern.

For the purpose of this Agreement:

"Act" means the *Ontario Fair Hydro Plan Act, 2017* together with any Regulations in effect thereunder from time to time.

"DBRS" means DBRS Limited and its successors.

"Eligible Guarantee" means an unconditional and irrevocable guarantee by a guarantor that is a principal debtor rather than surety and is directly enforceable by Party B, where either (i) a law firm has given a legal opinion confirming that none of the guarantor's payments to Party B under the guarantee will be subject to deduction or withholding for Tax, (ii) the guarantee provides that, if the guarantor's payments to Party B are subject to deduction or withholding for Tax, the guarantor is required to pay the additional amount necessary so that the net amount received by Party B will equal the full amount Party B would have received had no deduction or withholding been required, or (iii) if any payment under the guarantee is made net of deduction or withholding for Tax, Party A is required under Section 2(a)(i) to make an additional payment necessary so that the net amount received by Party B will equal the full amount Party B would have received had no deduction or withholding been required.

"Eligible Replacement" means an entity (i)(A) having the Ratings Event I Required Ratings, or (B) whose obligations owing to Party B under this Agreement (or its replacement, as applicable) are guaranteed under an Eligible Guarantee by a guarantor having the Ratings Event I Required Ratings, and (ii) reasonably acceptable to Party B.

"Firm Offer" means an offer which, when made, was capable of becoming legally binding upon acceptance.

"Indenture Documents" means the Supplemental Indenture together with the Trust Indenture.

"Local Business Day" means a day other than a Saturday, a Sunday or a day banking institutions or trust companies in Toronto, Ontario or Montreal, Quebec are authorized or obligated by law to close, and the definition of ***"Local Business Day"*** in Section 14 is deleted.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Relevant Entity" means Party A, a guarantor under an Eligible Guarantee or an Eligible Replacement, as applicable.

"Replacement Transaction" means, for any Terminated Transaction, a transaction that (i) has terms which would be effective to transfer to a transferee all of Party A's rights and obligations under this Agreement, which terms are identical to the terms of this Agreement, other than party names, the effective date of the transfer, tax representations and any representations about the status of the substitute counterparty, notice information and account details, or (ii) (A) would preserve for Party B the economic equivalent of any payment or delivery under this Agreement for the Terminated Transaction that would, but for the occurrence of the Early Termination Date, have been required after that date, and (B) has terms which are, in all material respects, no less beneficial for Party B than those of this Agreement, as determined by Party B.

"***Supplemental Indenture***" means the Supplemental Indenture dated as of [■], among Party B as issuer of Series [■] Notes, **[INDENTURE TRUSTEE]**, as Indenture Trustee, and **[List any other parties]**, which supplements the Trust Indenture.

"***Trust Indenture***" means the Trust Indenture dated as of [■], 2017, between Party B, as issuer, and [INDENTURE TRUSTEE], as Indenture Trustee.

(b) ***Equivalency Clause***. For purposes of disclosure pursuant to the Interest Act (Canada), the yearly rate of interest to which any rate of interest payable under this Agreement, which is to be calculated on any basis other than a full calendar year, is equivalent may be determined by multiplying such rate by a fraction, the numerator of which is the number of days in the calendar year in which the period for which interest at such rate is payable ends and the denominator of which is the number of days comprising such other basis.

(c) ***English Language***. The parties hereto have requested that this Agreement and the Schedule be drafted in the English language and that all present and future Confirmations be drafted in the English language. Les parties aux présentes ont requis que cette convention et l'Annexe ainsi que toutes les présentes et futures confirmations soient rédigées en langue anglaise.

(d) ***Eligible Financial Contract***. Each Party, with respect to itself, hereby represents and warrants to the other Party, continuing throughout the term of this agreement, that it is its intention that this Contract and each Transaction hereunder shall constitute an "eligible financial contract" within the meaning of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any other applicable Canadian insolvency legislation.

(e) ***Telephone Recording***. Each party (i) consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties in connection with this Agreement or any potential Transaction, (ii) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its relevant personnel and (iii) agrees, to the extent permitted by applicable law, that recordings may be submitted in evidence in any Proceedings.

(f) ***No Reliance***. In connection with the negotiation of, the entering into, and the execution of, this Agreement, any Credit Support Document to which it is a party, and each Transaction hereunder, each party acknowledges and agrees that: (i) each party is acting for its own account and is not acting as a fiduciary for, or a financial or investment advisor to the other party (or in any similar capacity); (ii) each party is not relying upon any communications (whether written or oral) from the other party as investment advice or as a recommendation to enter into this Agreement, any Credit Support Document to which it is a party and each Transaction hereunder (other than the representations expressly set forth in this Agreement), it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction; (iii) neither party has received from the other party any assurance or guarantee as to the expected results of any Transaction; and (iv) each party has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisors to the extent it has deemed necessary, and it has made its own independent investment, hedging, and trading decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the other party.

(g) ***Severability***. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(h) ***Credit Rating Downgrade of Party A***

(1) Ratings Event I:

Party A agrees that if at any time (i) the long-term unsecured debt rating or the short-term unsecured debt rating, in each case, of a Relevant Entity from DBRS is not at least, respectively "A" or R-1 (low) or better; or (ii) the long-term unsecured debt rating or the short-term unsecured debt rating, in each case, of a Relevant Entity from Moody's is not at least, respectively A2 or P-1 or better (such rating thresholds collectively designated as the **"Ratings Event I Required Rating"** and such failure the **"Ratings Event I Trigger"**, Party A shall at its own expense and not later than 30 Local Business Days following the occurrence of the Ratings Event I (so long as the Ratings Event I is continuing):

(X) transfer acceptable Eligible Credit Support in accordance with Paragraph 11(b)(i)(C)(1) of the ISDA Credit Support Annex; or

(Y) either obtain an Eligible Guarantee or transfer all of its interests and obligations in or under this Agreement, on substantially the same terms and in writing (i) to an Eligible Replacement, or (ii) another party that otherwise satisfies the Rating Agency Condition in respect of the Related Rating Agency; provided that such transfer does not result in adverse tax consequences or increased costs for Party B and Party A shall continue to perform its obligations under this Agreement until the transfer of all of its interest and obligations in or under this Agreement is completed; or

(Z) take such other action as agreed to between Party A and Party B which satisfies the Rating Agency Condition in respect of the Related Rating Agency.

(2) Ratings Event II:

Party A agrees that if at any time (i) the long-term unsecured debt rating or the short-term unsecured debt rating, in each case of a Relevant Entity from DBRS is not at least, respectively BBB or R-2 (middle) or better, or (ii) the long-term unsecured debt rating or the short-term unsecured debt rating, in each case, of a Relevant Entity from Moody's is not at least, respectively A3 or P-3 or better (such rating thresholds collectively designated as the **"Ratings Event II Required Rating"** and such failure the **"Ratings Event II Trigger"**, Party A shall at its own expense following the occurrence of a Ratings Event II (so long as such Ratings Event II is continuing):

(X) transfer all of its interests and obligations in or under this Agreement, on substantially the same terms and in writing (i) to an Eligible Replacement, or (ii) or another party that otherwise satisfies the Rating Agency Condition in respect of the Related Rating Agency; provided that such transfer does not result in adverse tax consequences or increased costs for Party B and Party A shall continue to perform its obligations under this Agreement until the transfer of all of its interest and obligations in or under this Agreement is completed; or

(Y) take such other action as agreed to between Party A and Party B which satisfies the Rating Agency Condition in respect of the Related Rating Agency, or

(Z) provide Eligible Credit Support in accordance with Paragraph 11(b)(i)(C)(2) of the ISDA Credit Support Annex in an amount as required thereunder until (i) such time as the action set out in this sub-paragraph (2)(X) or (2)(Y) above has been taken, or (ii) the Relevant Entity meets the Ratings Event I Required Rating.

(i) ***Successors***. This Agreement and all obligations of the parties hereunder shall be binding upon than respective successors and assigns and shall, together with the rights and remedies, inure to their benefit.

(j) ***Scope of Agreement***. The parties acknowledge and agree that this Agreement will only apply to Transactions entered into in respect of the Series 2016-1 Notes.

(k) ***Counterparts***. This Schedule may be executed in one or more counterparts, either in original or facsimile or pdf form, each of which shall constitute one and the same document and form part of the Agreement. If an executed copy of this Schedule is transmitted by the parties through transmission by facsimile or e-mail in pdf format, this Schedule shall constitute the original document between the parties and the parties hereby adopt the signatures printed by the receiving facsimile machine or computer as the original signatures of the parties.

(l) ***Transfer***. Exception to the Transfer provisions of Section 7 is that consent to transfer shall not be unreasonably withheld as long as the transferee, designated by Party A, is an Eligible Replacement or otherwise satisfies the Rating Agency Condition in respect of the related Rating Agency. In addition, Party A agrees that it will use reasonable commercial efforts to novate each outstanding Transaction hereunder to an Eligible Replacement if it is requested to do so in connection with an assignment of its interests in the Series [■] Notes pursuant to the Indenture Documents.

(m) **[*Foreign Account Tax Compliance Act*.** "Tax" as used in Part 2(a) of this Schedule (Payer Tax Representation) and "Indemnifiable Tax" as defined in Section 14 of this Agreement shall not include any U.S. federal withholding tax imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a "**FATCA Withholding Tax**"). For the avoidance

of doubt, a FATCA Withholding Tax is a Tax the deduction or withholding of which is required by applicable law for the purposes of Section 2(d) of this Agreement."] **[NTD: subject to Tax review]**

(n) ***Set-off***. Without affecting the provisions of this Agreement requiring the calculation of certain net payment amounts, all payments under this Agreement and each Confirmation will be made without set-off or counterclaims.

(o) ***Amendments.*** Party B hereby agrees that it will not amend, supplement, modify, restate or replace or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to any of the Related Program Agreements if any such amendment, supplementation, modification, restatement or replacement or waiver or consent is material, except with the prior written consent of Party A and satisfaction of the Rating Agency Condition in respect of each Related Rating Agency. Each Related Rating Agency shall be notified by or on behalf of Party B of any nonmaterial amendments, waivers and consents as soon as possible after such non-material amendments, waivers and consents become effective. Any such proposed change to a Related Program Agreement will be subject to Section [13.19] of the Trust Indenture.

(p) ***Limited Recourse:***

(i) Party A is a Specified Creditor (as defined in the Trust Indenture) and its entitlements under this Agreement are subject to the provisions applicable to Specified Creditors under the Trust Indenture. The right of Party A to payments under this Agreement, or the exercise of rights or remedies against Party B under this Agreement is subject to Sections [8.15] (*Limited Recourse*) and [17.01] (*No Petition*) of the Trust Indenture.

(ii) Part 5(p)(i) survives the termination of this Agreement.

(q) ***Non-Petition***. Party A hereby covenants and agrees that it will not at any time institute or encourage against Party B, or join or acquiesce in any institution against Party B of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or provincial bankruptcy, insolvency, winding-up or similar law for one year and a day after the latest maturing Note (as defined in the Indenture) in connection with any obligations relating to this Agreement or any of the other Related Program Agreements.

(r) ***Party B Pledge***. Notwithstanding Section 7, Party A acknowledges that Party B has or will pledge its rights under this Agreement to the Indenture Trustee for the benefit of the related Specified Creditors under the Indenture Documents and agrees to the pledge. The Indenture Trustee will not be deemed to be a party to this Agreement. However, the Indenture Trustee, acting on behalf of the related Specified Creditors, has the right to enforce this Agreement against Party A. Party A will be entitled to rely on any notice or communication from the Indenture Trustee to that effect.

Part 6. FX Transaction and Currency Option Transaction Provisions

(a) ***FX Definitions***

(i) Incorporated Into Agreement. The 1998 ISDA FX and Currency Option Transaction Definitions, as published by the International Swaps and Derivatives Association, Inc., (the "FX Definitions") are incorporated by reference into this Agreement. Any terms used and not otherwise defined in this Agreement that are contained in the FX Definitions shall have the respective meanings specified therein (without regard to any amendments thereto after the date of this Agreement).

(ii) Inconsistency. In the event of any inconsistency between the FX Definitions and any other provisions or definitions that are incorporated by reference into this Agreement, the FX Definitions shall prevail with respect to an FX Transaction or a Currency Option Transaction. In the event of any inconsistency between the FX Definitions and the provisions otherwise

contained in this Agreement, those provisions otherwise contained in this Agreement shall prevail.

(b) ***Confirmations.*** Any FX Transaction or Currency Option Transaction into which the parties may before the date of this Agreement have entered, or may in the future enter, where the relevant Confirmation on its face does not expressly exclude the application of this Agreement, shall (to the extent not otherwise provided for in this Agreement) be subject to, governed by and construed in accordance with this Agreement (in substitution for any existing terms, if any, whether express or implied). Each such FX Transaction and Currency Option Transaction shall be a Transaction, and the documents and other confirming evidence (including electronic messages on an electronic messaging service) exchanged between the parties confirming such FX Transaction or Currency Option Transaction shall each be a Confirmation (even where not so specified therein), for the purposes of this Agreement.

(c) ***Payment Instructions.*** All payments to be made in respect of FX Transactions and Currency Option Transactions shall be made in accordance with standing payment instructions provided by the parties (or as otherwise specified in a Confirmation). Any such instructions from a party must be received no later than one Business Day prior to the Value Date or Premium Payment Date (as the case may be) for such Transaction and otherwise be in conformity with standard inter-dealer market practice regarding foreign currency delivery.

(d) ***FX Transaction Novation Netting.***

(i) Automatic Novation Netting. In addition to the settlement netting provisions of Section 2(c) of this Agreement, unless otherwise agreed, if the parties enter into an FX Transaction that is governed by this Agreement through a pair of Novation Netting Offices giving rise to an obligation of a party under this Agreement to pay an amount of currency (a "Currency Obligation") on the same date and in the same currency as a then existing Currency Obligation between the same pair of Novation Netting Offices, then immediately upon entering into such FX Transaction, each such Currency Obligation shall automatically and without further action be cancelled and simultaneously replaced by a new Currency Obligation for such date determined as follows: the amount of such currency that would otherwise have been payable by each party on such date shall be aggregated and the party with the larger aggregate amount shall have a new Currency Obligation to pay to the other party the amount of such currency by which its aggregate amount exceeds the other party's aggregate amount, provided that if the aggregate amounts are equal, no new Currency Obligation shall arise. This paragraph (d) shall not affect any other Currency Obligation of a party to pay any different currency on the same date. This provision shall apply notwithstanding that either party (i) may fail to send out a Confirmation in respect of any such novation, or (ii) may fail to make changes in any of its books as a result of any such novation.

(ii) "Novation Netting Office" means, as to either party, the office or offices specified in Part 4, Section A in the Schedule and any other office specified from time to time by one party and agreed to in writing by the other party.

(e) ***Currency Option Transaction Discharge and Termination***

(i) Automatic Discharge and Termination of Offsetting Options. Unless otherwise agreed, any Call Option or any Put Option written by a party will automatically be terminated and discharged, in whole or in part, as applicable, against a Call Option or a Put Option, respectively, written by the other party, such termination and discharge to occur automatically upon the payment in full of

the last Premium payable in respect of such Currency Option Transactions; provided that such termination and discharge may only occur in respect of Currency Option Transactions:

(1) each being with respect to the same Put Currency and the same Call Currency;
(2) each having the same Expiration Date and Expiration Time;
(3) each being of the same style, i.e. either both being American Style Options or both being European Style Options;
(4) each having the same Strike Price;
(5) neither of which shall have been exercised by delivery of a Notice of Exercise;

and, upon occurrence of such termination and discharge, neither party shall have any further obligation to the other party in respect of the relevant Currency Option Transactions or, as the case may be, parts thereof so terminated and discharged. In the case of a partial termination and discharge (i.e. where the relevant Currency Option Transactions are for different amounts of the Currency Pair), the remaining portion of the Currency Option Transaction which is partially discharged and terminated shall continue to be a Currency Option Transaction for all purposes of this Agreement. This provision shall apply notwithstanding that either party (i) may fail to send out a Confirmation in respect of any such discharge and termination, or (ii) may fail to make changes in any of its books as a result of any such discharge and termination.

(ii) ***Additional Definitions***

(1) "Call Option" means a Currency Option Transaction entitling, but not obligating, the Buyer to purchase from the Seller at the Strike Price a specified quantity of the Call Currency.

(2) "Put Option" means a Currency Option Transaction entitling, but not obligating, the Buyer to sell to the Seller at the Strike Price a specified quantity of the Put Currency.

- signature page follows -

Please confirm your agreement to the terms of the foregoing Schedule by signing below.

[HEDGE PROVIDER]	**[ISSUER]**
(Party A)	(Party B)
By: _____	By: _____
Name:	Name:
Title:	Title:
By: _____	By: _____
Name:	Name:
Title:	Title:

[Signature Page – ISDA Schedule]

From:	Whitfield, Tobias P. (MOF)
To:	Sarah Harris; Malle Hanslep (MOF)
Cc:	Opal Kandelas; Mike Manning; Dean Hwang
Subject:	RE: Fair Hydro -- Form of ISDA Schedule
Date:	Wednesday, October 25, 2017 2:38:45 PM
Attachments:	Fair Hydro – Form of ISDA Schedule.docx

Sarah – please see attached.
Toby
Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: October 25, 2017 2:32 PM
To: Hanslep, Malle (MOF)
Cc: Whitfield, Tobias P. (MOF); Kandelas, Opal (OFA); Manning, Mike (OFA); Dean Hwang
Subject: FW: Fair Hydro -- Form of ISDA Schedule
Hi Malle,
When you're available to discuss, please let me know. If it is possible for you to share the draft schedule in advance, that would be helpful.
Thanks,
Sarah

From: Mike Manning
Sent: Tuesday, October 24, 2017 6:49 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Opal Kandelas <Opal.Kandelas@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Re: Fair Hydro -- Form of ISDA Schedule
I think that is a good idea. We may need all hands on deck.
Thanks, Mike

Sent from my iPhone

On Oct 24, 2017, at 5:36 PM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca> wrote:

> Hi Mike
>
> Although we are not really going to give much input to the terms of the, various agreements etc I am wondering whether it makes sense to have the documentation group involved in this project. I know that Opal came to one of the early meetings as there are going to be quite a few agreements to review.
>
> Perhaps we can discuss this tomorrow?
>
> Thanks
> Sent from my BlackBerry 10 smartphone on the Rogers network.
> From: Mansoori, Nina <nmansoori@torys.com>
> Sent: Tuesday, October 24, 2017 17:21
> To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com

Cc: Feldman, Michael; Ramchandani, Rima; Olusoga, Yinka; Saulnier, Brett; Mansoori, Nina
Subject: RE: Fair Hydro -- Form of ISDA Schedule

All,

We attach a draft Schedule for an ISDA Master Agreement to be used for hedging purposes in connection with the issuance of Fair Hydro debt. This draft is subject to the working group's review and comment.

Best Regards,
Nina

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada |
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[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=1VTa1zXh4KcvkaKlO9-ARX4ZdAPchHFOUlZrzzbEKu8&s=WV1r2al3I6I7hp4_ENGNsOCi-ONgrumWNDvMZJ5snis&e= >

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ISDA®

International Swaps Dealers Association, Inc.

SCHEDULE
to the
1992 Master Agreement

dated as of **[■]**, 2017

between

[HEDGE PROVIDER]
("**Party A**"),

and

[ISSUER]
("Party B")

Part 1 **Termination Provisions.**

(a) ***"Specified Entity"*** means in relation to Party A for the purpose of:

Section 5(a)(v), Not Applicable

Section 5(a)(vi), Not Applicable

Section 5(a)(vii), Not Applicable

Section 5(b)(iv), Not Applicable

and in relation to Party B for the purpose of:

Section 5(a)(v), Not Applicable,

Section 5(a)(vi), Not Applicable

Section 5(a)(vii), Not Applicable

Section 5(b)(iv), Not Applicable

(b) ***"Specified Transaction"*** will have the meaning specified in Section 14 of the Agreement.

(c) The ***"Breach of Agreement"*** provision of Section 5(a)(ii) will apply to Party A and will not apply to Party B.

(d) The ***"Credit Support Default"*** provisions of Section 5(a)(iii) will apply to Party A and will not apply to Party B.

(e) The ***"Misrepresentation"*** provisions of Section 5(a)(iv) will apply to Party A and will not apply to Party B.

(f) The ***"Default under Specified Transaction"*** provisions of Section 5(a)(v) will **[not]** apply to Party A and will not apply to Party B.

(g) The ***"Cross-Default"*** provisions of Section 5(a)(vi) will not apply to Party A and will not apply to Party B.

(h) The ***"Credit Event Upon Merger"*** provisions of Section 5(b)(iv) will not apply to Party A and will not apply to Party B.

(i) The ***"Automatic Early Termination"*** provision of Section 6(a) will not apply to Party A and will not apply to Party B.

(j) ***Payments on Early Termination***. For the purpose of Section 6(e) of this Agreement:

(i) Market Quotation will apply.

(ii) The Second Method will apply.

(k) ***Payments on Early Termination Due to Certain Events***. Notwithstanding Section 6, if Party A is (A) the Affected Party for an Additional Termination Event or a Tax Event Upon Merger, or (B) the Defaulting Party for an Event of Default, paragraphs (i) to (v) below apply:

(i) The definition of ***"Market Quotation"*** is deleted and replaced with the following:

"Market Quotation" means, for one or more Terminated Transactions, a Firm Offer which is:

(1) made by a Reference Market-maker that is an Eligible Replacement;

(2) for an amount that would be paid to Party B (expressed as a negative number) or by Party B (expressed as a positive number) in consideration of an agreement between Party B and the Reference Market-maker to enter into a Replacement Transaction; and

(3) made on the basis that Unpaid Amounts for the Terminated Transaction or group of Transactions are to be excluded but any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of any conditions precedent) after that Early Termination Date is to be included.

(ii) In determining whether or not a Firm Offer satisfies the condition in sub-paragraph (ii)(B) of the definition of "Replacement Transaction", Party B will act in a commercially reasonable manner.

(iii) The definition of ***"Settlement Amount"*** is deleted and replaced with the following:

"Settlement Amount" means, for any Early Termination Date:

(a) if, on or prior to the Early Termination Date, a Market Quotation for a Terminated Transaction or group of Terminated Transactions is accepted by Party B and is legally

binding, the Termination Currency Equivalent of the amount (whether positive or negative) of the Market Quotation;

(b) if, on the Early Termination Date, no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions has been accepted by Party B and is legally binding and one or more Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, the Termination Currency Equivalent of the amount (whether positive or negative) of the lowest of the Market Quotations (for the avoidance of doubt, (i) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number and (ii) the lower of two Market Quotations expressed as negative numbers is the one with the largest absolute value); or

(c) if, on the Early Termination Date, no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions is accepted by Party B and is legally binding and no Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, Party B's Loss (whether positive or negative and without reference to any Unpaid amounts) for the relevant Terminated Transaction or group of Terminated Transactions.

(iv) At any time on or before the Early Termination Date at which two or more Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, Party B must accept the lowest of the Market Quotations. For this purpose, (A) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number, and (B) the lower of two Market Quotations expressed as negative numbers is the one with the largest absolute value.

(v) If Party B requests Party A in writing to obtain Market Quotations, Party A will use reasonable efforts to do so before the Early Termination Date.

(vi) For the purpose of determining Unpaid Amounts, any payment or delivery obligation which was (or would have been but for Section 2(a)(iii)) required to be performed pursuant to paragraph 2 of the Credit Support Annex shall be disregarded.

(l) ***"Termination Currency"*** shall mean Canadian dollars.

(m) ***Bankruptcy***

(i) Section 5(a)(vii)(2), (7) and (9) does not apply to Party B.

(ii) Section 5(a)(vii)(3) does not apply to Party B for any assignment, arrangement or composition effected by or under the Indenture Documents.

(iii) Section 5(a)(vii)(4) does not apply to Party B for a proceeding or petition instituted or presented by Party A or any of its Affiliates.

(iv) Section 5(a)(vii)(6) does not apply to Party B for (i) an appointment that is made under the Indenture Documents, or (ii) an appointment to which Party B is not subject.

(v) Section 5(a)(vii)(8) applies to Party B only if it applies to Section 5(a)(vii)(1), (3), (4), (5) and (6), as amended.

(n) ***Tax Event and Tax Event Upon Merger***

Section 5(b)(ii) applies but the words "(x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y)" are hereby deleted.

Section 5(b)(iii) applies but Party A will not be entitled to designate an Early Termination Date by reason of a Tax Event Upon Merger if it is the Affected Party.

Section 6(b)(ii) applies but the words "or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party" are deleted.

(o) ***Additional Termination Event*** will apply. The following shall constitute an Additional Termination Event:

(i) It shall be an Additional Termination Event and Party B shall be the sole Affected Party and all Transactions then outstanding shall be Affected Transactions if Party B fails to comply with the requirements of Part 5(o).

(ii) It shall be an Additional Termination Event and Party A shall be the sole Affected Party and all Transactions then outstanding shall be the Affected Transactions if Party A fails to comply with the requirements of Part 5(h).

(iii) It shall be an Additional Termination Event and Party B shall be the sole Affected Party upon an acceleration of the Series [■] Notes under Section **[8.02]** of the Trust Indenture.

(iv) **[NTD: consider including a partial termination provision to facilitate right-sizing interest rate hedges following any unscheduled reductions of the underlying financed amounts]**

Part 2 **Tax Representations. [NTD: subject to Tax review]**

(a) ***Payer Representations.*** For the purpose of Section 3(e) of this Agreement, Party A and Party B will make the following representations.

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d)(ii) or 6(e) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, except that it will not be a breach of this representation where reliance is placed on clause (ii) above and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

(b) ***Payee Representations.*** For the purpose of Section 3(f) of this Agreement, Party A and Party B make the representations specified below, if any:

(i) Party A and Party B each make the following representation:

It is not a non-resident of Canada within the meaning of the *Income Tax Act (Canada).*

(c) ***Other representations:*** None made.

Part 3 **Agreement to Deliver Documents.**

For the purpose of Sections 4(a)(i) and 4(a)(ii) of this Agreement, each party agrees to deliver the following documents, as applicable:

(a) Tax forms, documents or certificates to be delivered are:

Party required to deliver document	**Form/Document/ Certificate**	**Date by which to be delivered**
Each Party	Any document required or reasonably requested to allow the other party to make payments under the Agreement without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate.	Promptly upon reasonable demand by either party.

(b) Other documents to be delivered are:

Party required to deliver document	**Form/Document/ Certificate**	**Date by which to be delivered**	**Covered by Section 3(d) Representation**
Each Party	Evidence satisfactory in form and substance to the other party of (i) the authority of the signatory of the party to execute this Agreement **[and Credit Support Annex]** and any Confirmation and (ii) list of the names, true signatures of the signatory of this Agreement or any Confirmation.	Upon execution of this Agreement	Yes
Party A	A copy of unaudited financial statements for the most recently ended fiscal year.	As soon as reasonably practicable following a request by Party B to the extent not publically available online	No
Each Party	Legal opinion satisfactory to the other Party.	Upon execution of this Agreement	Yes
Party B	ISDA Cross-Border Swaps Representation Letter	If requested by Party A, upon execution and delivery of this Agreement.	No.
Party A and B	ISDA Canadian Representation Letter #1	Upon execution and delivery of this Agreement.	No.

Part 4 **Miscellaneous.**

(a) ***Addresses for Notices.*** For the purpose of Section 12(a) of this Agreement:

Address for notices or communications to Party A: **[NTD: ■]**

Address: ■
Attention: ■
Facsimile: ■ Telephone: ■
Electronic Messaging System Details: ■
(Only with respect to transactions through this Office)

For any notices with respect to Section 5 and 6 of this Agreement for Party A:

Address: ■
Attention: ■
Facsimile: ■ Telephone: ■
E-mail: ■

Address for notices or communications to Party B:

[ISSUER]
c/o Ontario Power Generation Inc.
100 University Avenue, 11th Floor
Toronto, Ontario, M5J 2Y1

Attn: [■]
Fax: [■]
Email: [■]

with copies to:

[ISSUER TRUSTEE], in its capacity as Issuer Trustee for [ISSUER]

Attn: [■]
Fax: [■]
Email: [■]

Notwithstanding Section 12(a) of this Agreement, service of legal process documents relating to this Agreement may not be delivered by facsimile or by electronic messaging system.

(b) ***Process Agent***. For the purpose of Section 13(c) of this Agreement, neither party appoints a Process Agent.

(c) ***Offices***. The provisions of Section 10(a) will apply to this Agreement.

(d) ***Multibranch Party***. For the purpose of Section 10(c) of this Agreement:

Party A **[is][is not]** a Multibranch Party and may only enter into a Transaction through any of the following Offices:

Party B is not a Multibranch Party.

(e) ***Calculation Agent***. The Calculation Agent is Party A unless (i) otherwise specified in a Confirmation in relation to the relevant Transaction or (ii) a replacement Calculation Agent is designated by Party B as set

forth below. All calculations by the Calculation Agent shall be made in good faith and through the exercise of its commercially reasonable judgment. The calculations and determinations of the Calculation Agent shall (except in the case of manifest error) be final and binding upon all parties. Upon the failure of Party A to perform its obligations as Calculation Agent hereunder within five Local Business Days of Party A receiving from Party B notice of such failure, the sole remedy of Party B will be the right, upon notice to the Calculation Agent, to designate a third party that is a Reference Market-maker as replacement Calculation Agent. For so long as an Event of Default in respect of Party A is continuing, Party B will have the right, upon notice to the Calculation Agent, to designate a third party that is a Reference Market-maker as replacement Calculation Agent, without prejudice to any other remedy to which Party B is otherwise entitled under this Agreement. Upon Party A demonstrating its ability to resume performance of its obligations as Calculation Agent or such Event of Default no longer continuing, Party A may elect to resume its role as Calculation Agent.

(f) ***Credit Support Document***. Details of any Credit Support Document:

In relation to Party A: any Eligible Guarantee,

In relation to Party B: not applicable.

(g) ***Credit Support Provider***. Credit Support Provider means in relation to Party A, any Eligible Guarantor, and in relation to Party B; not applicable.

(h) ***Governing Law***. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (without reference to choice of law doctrine).

(i) ***Jurisdiction***. Section 13(b)(i) is hereby deleted and replaced by the following Section 13(b)(i):
"(i) submits to the exclusive jurisdiction of the Province of Ontario."

(j) ***Netting of Payments***. Subparagraph (ii) of Section 2(c) of this Agreement will not apply.

(k) ***"Affiliate"*** will have the meaning specified in Section 14 of this Agreement.

(l) ***Characterization under Program Agreements.*** The parties acknowledging and agree that:

(i) The Master Agreement and this Schedule constitute a "Derivative Agreement" as used and defined under the Indenture Documents and a "derivative agreement" as defined under the Act.

(ii) Party B is a "Derivative Counterparty" as used and defined under the Indenture Documents and a "derivative agreement" as defined under the Act.

(iii) Any payments required in connection with the Master Agreement and this Schedule will be "derivative payments" as defined under the Act.

Part 5 **Other Provisions.**

(a) ***Definitions***. Reference is hereby made to the 2006 ISDA Definitions (the "2006 Definitions") as published by the International Swaps and Derivatives Association, Inc. ("ISDA") or to any subsequent update being the then current version of the 2006 Definitions. Any terms used and not otherwise defined herein which are contained in the Definitions shall have the meaning set forth therein, and if not contained in the Definitions, will have the meanings specified in the Supplemental Indenture, either directly or by reference. If there is any inconsistency between this Agreement and the Definitions, this Agreement will govern. If there is inconsistency between a Confirmation and this Agreement or the Definitions, the Confirmation will govern.

For the purpose of this Agreement:

"Act" means the *Ontario Fair Hydro Plan Act, 2017* together with any Regulations in effect thereunder from time to time.

"DBRS" means DBRS Limited and its successors.

"Eligible Guarantee" means an unconditional and irrevocable guarantee by a guarantor that is a principal debtor rather than surety and is directly enforceable by Party B, where either (i) a law firm has given a legal opinion confirming that none of the guarantor's payments to Party B under the guarantee will be subject to deduction or withholding for Tax, (ii) the guarantee provides that, if the guarantor's payments to Party B are subject to deduction or withholding for Tax, the guarantor is required to pay the additional amount necessary so that the net amount received by Party B will equal the full amount Party B would have received had no deduction or withholding been required, or (iii) if any payment under the guarantee is made net of deduction or withholding for Tax, Party A is required under Section 2(a)(i) to make an additional payment necessary so that the net amount received by Party B will equal the full amount Party B would have received had no deduction or withholding been required.

"Eligible Replacement" means an entity (i)(A) having the Ratings Event I Required Ratings, or (B) whose obligations owing to Party B under this Agreement (or its replacement, as applicable) are guaranteed under an Eligible Guarantee by a guarantor having the Ratings Event I Required Ratings, and (ii) reasonably acceptable to Party B.

"Firm Offer" means an offer which, when made, was capable of becoming legally binding upon acceptance.

"Indenture Documents" means the Supplemental Indenture together with the Trust Indenture.

"Local Business Day" means a day other than a Saturday, a Sunday or a day banking institutions or trust companies in Toronto, Ontario or Montreal, Quebec are authorized or obligated by law to close, and the definition of ***"Local Business Day"*** in Section 14 is deleted.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Relevant Entity" means Party A, a guarantor under an Eligible Guarantee or an Eligible Replacement, as applicable.

"Replacement Transaction" means, for any Terminated Transaction, a transaction that (i) has terms which would be effective to transfer to a transferee all of Party A's rights and obligations under this Agreement, which terms are identical to the terms of this Agreement, other than party names, the effective date of the transfer, tax representations and any representations about the status of the substitute counterparty, notice information and account details, or (ii) (A) would preserve for Party B the economic equivalent of any payment or delivery under this Agreement for the Terminated Transaction that would, but for the occurrence of the Early Termination Date, have been required after that date, and (B) has terms which are, in all material respects, no less beneficial for Party B than those of this Agreement, as determined by Party B.

"***Supplemental Indenture***" means the Supplemental Indenture dated as of [■], among Party B as issuer of Series [■] Notes, **[INDENTURE TRUSTEE]**, as Indenture Trustee, and **[List any other parties]**, which supplements the Trust Indenture.

"***Trust Indenture***" means the Trust Indenture dated as of [■], 2017, between Party B, as issuer, and [INDENTURE TRUSTEE], as Indenture Trustee.

(b) ***Equivalency Clause***. For purposes of disclosure pursuant to the Interest Act (Canada), the yearly rate of interest to which any rate of interest payable under this Agreement, which is to be calculated on any basis other than a full calendar year, is equivalent may be determined by multiplying such rate by a fraction, the numerator of which is the number of days in the calendar year in which the period for which interest at such rate is payable ends and the denominator of which is the number of days comprising such other basis.

(c) ***English Language***. The parties hereto have requested that this Agreement and the Schedule be drafted in the English language and that all present and future Confirmations be drafted in the English language. Les parties aux présentes ont requis que cette convention et l'Annexe ainsi que toutes les présentes et futures confirmations soient rédigées en langue anglaise.

(d) ***Eligible Financial Contract***. Each Party, with respect to itself, hereby represents and warrants to the other Party, continuing throughout the term of this agreement, that it is its intention that this Contract and each Transaction hereunder shall constitute an "eligible financial contract" within the meaning of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any other applicable Canadian insolvency legislation.

(e) ***Telephone Recording***. Each party (i) consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties in connection with this Agreement or any potential Transaction, (ii) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its relevant personnel and (iii) agrees, to the extent permitted by applicable law, that recordings may be submitted in evidence in any Proceedings.

(f) ***No Reliance***. In connection with the negotiation of, the entering into, and the execution of, this Agreement, any Credit Support Document to which it is a party, and each Transaction hereunder, each party acknowledges and agrees that: (i) each party is acting for its own account and is not acting as a fiduciary for, or a financial or investment advisor to the other party (or in any similar capacity); (ii) each party is not relying upon any communications (whether written or oral) from the other party as investment advice or as a recommendation to enter into this Agreement, any Credit Support Document to which it is a party and each Transaction hereunder (other than the representations expressly set forth in this Agreement), it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction; (iii) neither party has received from the other party any assurance or guarantee as to the expected results of any Transaction; and (iv) each party has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisors to the extent it has deemed necessary, and it has made its own independent investment, hedging, and trading decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the other party.

(g) ***Severability***. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(h) ***Credit Rating Downgrade of Party A***

(1) Ratings Event I:

Party A agrees that if at any time (i) the long-term unsecured debt rating or the short-term unsecured debt rating, in each case, of a Relevant Entity from DBRS is not at least, respectively "A" or R-1 (low) or better; or (ii) the long-term unsecured debt rating or the short-term unsecured debt rating, in each case, of a Relevant Entity from Moody's is not at least, respectively A2 or P-1 or better (such rating thresholds collectively designated as the **"Ratings Event I Required Rating"** and such failure the **"Ratings Event I Trigger"**, Party A shall at its own expense and not later than 30 Local Business Days following the occurrence of the Ratings Event I (so long as the Ratings Event I is continuing):

(X) transfer acceptable Eligible Credit Support in accordance with Paragraph 11(b)(i)(C)(1) of the ISDA Credit Support Annex; or

(Y) either obtain an Eligible Guarantee or transfer all of its interests and obligations in or under this Agreement, on substantially the same terms and in writing (i) to an Eligible Replacement, or (ii) another party that otherwise satisfies the Rating Agency Condition in respect of the Related Rating Agency; provided that such transfer does not result in adverse tax consequences or increased costs for Party B and Party A shall continue to perform its obligations under this Agreement until the transfer of all of its interest and obligations in or under this Agreement is completed; or

(Z) take such other action as agreed to between Party A and Party B which satisfies the Rating Agency Condition in respect of the Related Rating Agency.

(2) Ratings Event II:

Party A agrees that if at any time (i) the long-term unsecured debt rating or the short-term unsecured debt rating, in each case of a Relevant Entity from DBRS is not at least, respectively BBB or R-2 (middle) or better, or (ii) the long-term unsecured debt rating or the short-term unsecured debt rating, in each case, of a Relevant Entity from Moody's is not at least, respectively A3 or P-3 or better (such rating thresholds collectively designated as the **"Ratings Event II Required Rating"** and such failure the **"Ratings Event II Trigger"**, Party A shall at its own expense following the occurrence of a Ratings Event II (so long as such Ratings Event II is continuing):

(X) transfer all of its interests and obligations in or under this Agreement, on substantially the same terms and in writing (i) to an Eligible Replacement, or (ii) or another party that otherwise satisfies the Rating Agency Condition in respect of the Related Rating Agency; provided that such transfer does not result in adverse tax consequences or increased costs for Party B and Party A shall continue to perform its obligations under this Agreement until the transfer of all of its interest and obligations in or under this Agreement is completed; or

(Y) take such other action as agreed to between Party A and Party B which satisfies the Rating Agency Condition in respect of the Related Rating Agency, or

(Z) provide Eligible Credit Support in accordance with Paragraph 11(b)(i)(C)(2) of the ISDA Credit Support Annex in an amount as required thereunder until (i) such time as the action set out in this sub-paragraph (2)(X) or (2)(Y) above has been taken, or (ii) the Relevant Entity meets the Ratings Event I Required Rating.

(i) ***Successors***. This Agreement and all obligations of the parties hereunder shall be binding upon than respective successors and assigns and shall, together with the rights and remedies, inure to their benefit.

(j) ***Scope of Agreement***. The parties acknowledge and agree that this Agreement will only apply to Transactions entered into in respect of the Series 2016-1 Notes.

(k) ***Counterparts***. This Schedule may be executed in one or more counterparts, either in original or facsimile or pdf form, each of which shall constitute one and the same document and form part of the Agreement. If an executed copy of this Schedule is transmitted by the parties through transmission by facsimile or e-mail in pdf format, this Schedule shall constitute the original document between the parties and the parties hereby adopt the signatures printed by the receiving facsimile machine or computer as the original signatures of the parties.

(l) ***Transfer***. Exception to the Transfer provisions of Section 7 is that consent to transfer shall not be unreasonably withheld as long as the transferee, designated by Party A, is an Eligible Replacement or otherwise satisfies the Rating Agency Condition in respect of the related Rating Agency. In addition, Party A agrees that it will use reasonable commercial efforts to novate each outstanding Transaction hereunder to an Eligible Replacement if it is requested to do so in connection with an assignment of its interests in the Series [■] Notes pursuant to the Indenture Documents.

(m) **[*Foreign Account Tax Compliance Act*.** "Tax" as used in Part 2(a) of this Schedule (Payer Tax Representation) and "Indemnifiable Tax" as defined in Section 14 of this Agreement shall not include any U.S. federal withholding tax imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a "**FATCA Withholding Tax**"). For the avoidance

of doubt, a FATCA Withholding Tax is a Tax the deduction or withholding of which is required by applicable law for the purposes of Section 2(d) of this Agreement."] **[NTD: subject to Tax review]**

(n) ***Set-off***. Without affecting the provisions of this Agreement requiring the calculation of certain net payment amounts, all payments under this Agreement and each Confirmation will be made without set-off or counterclaims.

(o) ***Amendments.*** Party B hereby agrees that it will not amend, supplement, modify, restate or replace or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to any of the Related Program Agreements if any such amendment, supplementation, modification, restatement or replacement or waiver or consent is material, except with the prior written consent of Party A and satisfaction of the Rating Agency Condition in respect of each Related Rating Agency. Each Related Rating Agency shall be notified by or on behalf of Party B of any nonmaterial amendments, waivers and consents as soon as possible after such non-material amendments, waivers and consents become effective. Any such proposed change to a Related Program Agreement will be subject to Section [13.19] of the Trust Indenture.

(p) ***Limited Recourse:***

(i) Party A is a Specified Creditor (as defined in the Trust Indenture) and its entitlements under this Agreement are subject to the provisions applicable to Specified Creditors under the Trust Indenture. The right of Party A to payments under this Agreement, or the exercise of rights or remedies against Party B under this Agreement is subject to Sections [8.15] (*Limited Recourse*) and [17.01] (*No Petition*) of the Trust Indenture.

(ii) Part 5(p)(i) survives the termination of this Agreement.

(q) ***Non-Petition***. Party A hereby covenants and agrees that it will not at any time institute or encourage against Party B, or join or acquiesce in any institution against Party B of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or provincial bankruptcy, insolvency, winding-up or similar law for one year and a day after the latest maturing Note (as defined in the Indenture) in connection with any obligations relating to this Agreement or any of the other Related Program Agreements.

(r) ***Party B Pledge***. Notwithstanding Section 7, Party A acknowledges that Party B has or will pledge its rights under this Agreement to the Indenture Trustee for the benefit of the related Specified Creditors under the Indenture Documents and agrees to the pledge. The Indenture Trustee will not be deemed to be a party to this Agreement. However, the Indenture Trustee, acting on behalf of the related Specified Creditors, has the right to enforce this Agreement against Party A. Party A will be entitled to rely on any notice or communication from the Indenture Trustee to that effect.

Part 6. FX Transaction and Currency Option Transaction Provisions

(a) ***FX Definitions***

(i) Incorporated Into Agreement. The 1998 ISDA FX and Currency Option Transaction Definitions, as published by the International Swaps and Derivatives Association, Inc., (the "FX Definitions") are incorporated by reference into this Agreement. Any terms used and not otherwise defined in this Agreement that are contained in the FX Definitions shall have the respective meanings specified therein (without regard to any amendments thereto after the date of this Agreement).

(ii) Inconsistency. In the event of any inconsistency between the FX Definitions and any other provisions or definitions that are incorporated by reference into this Agreement, the FX Definitions shall prevail with respect to an FX Transaction or a Currency Option Transaction. In the event of any inconsistency between the FX Definitions and the provisions otherwise

contained in this Agreement, those provisions otherwise contained in this Agreement shall prevail.

(b) ***Confirmations.*** Any FX Transaction or Currency Option Transaction into which the parties may before the date of this Agreement have entered, or may in the future enter, where the relevant Confirmation on its face does not expressly exclude the application of this Agreement, shall (to the extent not otherwise provided for in this Agreement) be subject to, governed by and construed in accordance with this Agreement (in substitution for any existing terms, if any, whether express or implied). Each such FX Transaction and Currency Option Transaction shall be a Transaction, and the documents and other confirming evidence (including electronic messages on an electronic messaging service) exchanged between the parties confirming such FX Transaction or Currency Option Transaction shall each be a Confirmation (even where not so specified therein), for the purposes of this Agreement.

(c) ***Payment Instructions.*** All payments to be made in respect of FX Transactions and Currency Option Transactions shall be made in accordance with standing payment instructions provided by the parties (or as otherwise specified in a Confirmation). Any such instructions from a party must be received no later than one Business Day prior to the Value Date or Premium Payment Date (as the case may be) for such Transaction and otherwise be in conformity with standard inter-dealer market practice regarding foreign currency delivery.

(d) ***FX Transaction Novation Netting.***

(i) Automatic Novation Netting. In addition to the settlement netting provisions of Section 2(c) of this Agreement, unless otherwise agreed, if the parties enter into an FX Transaction that is governed by this Agreement through a pair of Novation Netting Offices giving rise to an obligation of a party under this Agreement to pay an amount of currency (a "Currency Obligation") on the same date and in the same currency as a then existing Currency Obligation between the same pair of Novation Netting Offices, then immediately upon entering into such FX Transaction, each such Currency Obligation shall automatically and without further action be cancelled and simultaneously replaced by a new Currency Obligation for such date determined as follows: the amount of such currency that would otherwise have been payable by each party on such date shall be aggregated and the party with the larger aggregate amount shall have a new Currency Obligation to pay to the other party the amount of such currency by which its aggregate amount exceeds the other party's aggregate amount, provided that if the aggregate amounts are equal, no new Currency Obligation shall arise. This paragraph (d) shall not affect any other Currency Obligation of a party to pay any different currency on the same date. This provision shall apply notwithstanding that either party (i) may fail to send out a Confirmation in respect of any such novation, or (ii) may fail to make changes in any of its books as a result of any such novation.

(ii) "Novation Netting Office" means, as to either party, the office or offices specified in Part 4, Section A in the Schedule and any other office specified from time to time by one party and agreed to in writing by the other party.

(e) ***Currency Option Transaction Discharge and Termination***

(i) Automatic Discharge and Termination of Offsetting Options. Unless otherwise agreed, any Call Option or any Put Option written by a party will automatically be terminated and discharged, in whole or in part, as applicable, against a Call Option or a Put Option, respectively, written by the other party, such termination and discharge to occur automatically upon the payment in full of

the last Premium payable in respect of such Currency Option Transactions; provided that such termination and discharge may only occur in respect of Currency Option Transactions:

(1) each being with respect to the same Put Currency and the same Call Currency;
(2) each having the same Expiration Date and Expiration Time;
(3) each being of the same style, i.e. either both being American Style Options or both being European Style Options;
(4) each having the same Strike Price;
(5) neither of which shall have been exercised by delivery of a Notice of Exercise;

and, upon occurrence of such termination and discharge, neither party shall have any further obligation to the other party in respect of the relevant Currency Option Transactions or, as the case may be, parts thereof so terminated and discharged. In the case of a partial termination and discharge (i.e. where the relevant Currency Option Transactions are for different amounts of the Currency Pair), the remaining portion of the Currency Option Transaction which is partially discharged and terminated shall continue to be a Currency Option Transaction for all purposes of this Agreement. This provision shall apply notwithstanding that either party (i) may fail to send out a Confirmation in respect of any such discharge and termination, or (ii) may fail to make changes in any of its books as a result of any such discharge and termination.

(ii) ***Additional Definitions***

(1) "Call Option" means a Currency Option Transaction entitling, but not obligating, the Buyer to purchase from the Seller at the Strike Price a specified quantity of the Call Currency.

(2) "Put Option" means a Currency Option Transaction entitling, but not obligating, the Buyer to sell to the Seller at the Strike Price a specified quantity of the Put Currency.

- signature page follows -

Please confirm your agreement to the terms of the foregoing Schedule by signing below.

[HEDGE PROVIDER]	**[ISSUER]**
(Party A)	(Party B)
By: _____	By: _____
Name:	Name:
Title:	Title:
By: _____	By: _____
Name:	Name:
Title:	Title:

[Signature Page – ISDA Schedule]

From:	Sarah Harris
To:	Tobias P. Whitfield (MOF)
Subject:	RE: Fair Hydro -- Form of ISDA Schedule
Date:	Wednesday, October 25, 2017 2:48:21 PM

Thanks, Toby.

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Wednesday, October 25, 2017 2:39 PM
To: Sarah Harris ; Malle Hanslep (MOF)
Cc: Opal Kandelas ; Mike Manning ; Dean Hwang
Subject: RE: Fair Hydro -- Form of ISDA Schedule

Sarah – please see attached.

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: October 25, 2017 2:32 PM
To: Hanslep, Malle (MOF)
Cc: Whitfield, Tobias P. (MOF); Kandelas, Opal (OFA); Manning, Mike (OFA); Dean Hwang
Subject: FW: Fair Hydro -- Form of ISDA Schedule

Hi Malle,

When you're available to discuss, please let me know. If it is possible for you to share the draft schedule in advance, that would be helpful.

Thanks,

Sarah

From: Mike Manning
Sent: Tuesday, October 24, 2017 6:49 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Opal Kandelas <Opal.Kandelas@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Re: Fair Hydro -- Form of ISDA Schedule

I think that is a good idea. We may need all hands on deck.
Thanks, Mike

Sent from my iPhone

On Oct 24, 2017, at 5:36 PM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca> wrote:

> Hi Mike
>
> Although we are not really going to give much input to the terms of the, various agreements etc I am wondering whether it makes sense to have the documentation group involved in this project. I know that Opal came to one of the early meetings as there are going to be quite a few agreements to review.
>
> Perhaps we can discuss this tomorrow?

Thanks
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Mansoori, Nina <nmansoori@torys.com>
Sent: Tuesday, October 24, 2017 17:21
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
Cc: Feldman, Michael; Ramchandani, Rima; Olusoga, Yinka; Saulnier, Brett; Mansoori, Nina
Subject: RE: Fair Hydro -- Form of ISDA Schedule

All,

We attach a draft Schedule for an ISDA Master Agreement to be used for hedging purposes in connection with the issuance of Fair Hydro debt. This draft is subject to the working group's review and comment.

Best Regards,
Nina

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada |
www.torys.com[torys.com]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=1VTa1zXh4KcvkaKlO9-ARX4ZdAPchHFOUlZrzzbEKu8&s=WV1r2al3I6I7hp4_ENGNsOCi-ONgrumWNDvMZJ5snis&e= >
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=1VTa1zXh4KcvkaKlO9-ARX4ZdAPchHFOUlZrzzbEKu8&s=WV1r2al3I6I7hp4_ENGNsOCi-ONgrumWNDvMZJ5snis&e= >

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From: Mike Manning
To: Sarah Harris
Cc: Opal Kandelas
Subject: RE: Fair Hydro -- Supplemental Indenture for Long Term Debt
Date: Friday, October 27, 2017 1:02:56 PM

For sure no, happy to have you onboard.
Mike

From: Sarah Harris
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To: Mike Manning
Cc: Opal Kandelas
Subject: Fwd: Fair Hydro -- Supplemental Indenture for Long Term Debt
Hi Mike,
Per Malle's e-mail below, would you have any objection if I attend this meeting?
Thanks,
Sarah

Sent from my iPhone

Begin forwarded message:

> **From:** "Hanslep, Malle (MOF)" <Malle.Hanslep@ontario.ca>
> **Date:** October 27, 2017 at 12:49:32 PM EDT
> **To:** "Harris, Sarah (OFA)" <Sarah.Harris@ofina.on.ca>
> **Cc:** "Whitfield, Tobias P. (MOF)" <Tobias.Whitfield@ontario.ca>
> **Subject: RE: Fair Hydro -- Supplemental Indenture for Long Term Debt**
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> **From:** Hanslep, Malle (MOF)
> **Sent:** October 26, 2017 6:48 PM
> **To:** Harris, Sarah (OFA)
> **Subject:** Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt
> Sent from my BlackBerry 10 smartphone on the Rogers network.
>
> **From:** Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
> **Sent:** Thursday, October 26, 2017 18:47
> **To:** Kandeepan, Ken (OFA); Manning, Mike (OFA); Mayman, Gadi (OFA); Yep, Carlos (OFA); Kwan, Ronald (OFA); Devine, James (OFA); Kim, John (OFA); Strathy, Anna (OFA); Katona, Keley (MOF); John Psinas; Nelms, Scott (MOF); Montgomery, Kaitlin (MOF); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
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> **Subject:** Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt
> I might not have covered everyone with this email
> Sent from my BlackBerry 10 smartphone on the Rogers network.
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> **From:** Saulnier, Brett <bsaulnier@torys.com>
> **Sent:** Thursday, October 26, 2017 18:36
> **To:** Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay,

Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
Cc: 'leslie.wong@opg.com'; dup-john.s.lee@opg.com; 'ken.ryfa@opg.com'; Feldman, Michael; Ramchandani, Rima; Mansoori, Nina; Olusoga, Yinka
Subject: Fair Hydro -- Supplemental Indenture for Long Term Debt

All,

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Thanks,

Brett

Brett Saulnier
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79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

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From: Hanslep, Malle (MOF)
To: Sarah Harris
Cc: Tobias P. Whitfield (MOF)
Subject: RE: Fair Hydro -- Supplemental Indenture for Long Term Debt
Date: Friday, October 27, 2017 12:49:42 PM

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From: Sarah Harris
To: Lisa Stein
Cc: William Tan
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Friday, October 27, 2017 1:42:48 PM

Hi Lisa,
FYI – Will is at a goodbye lunch for Kelly Listoe who is retiring. He will forward you a draft e-mail for Anthony and Victor outline timelines for execution when he isback from lunch.
Thanks,
Sarah

From: Lisa Stein
Sent: Thursday, October 26, 2017 6:25 PM
To: 'Victor Buza'
Cc: Sarah Harris ; William Tan ; Anthony Martinello
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Victor,
We are still finalizing AA#10. We will send it to you either tomorrow or early next week.
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, October 26, 2017 5:45 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Lisa – just wanted to check whether the latest version of AA#10 was ever sent across for our review or whether you were still waiting on finalization of the FHP Credit Agreement ? I can't seem to find anything in my system.
I would like to review the additions to the Permitted Liens language in AA#10 asap even if the addition of the Intercept language is not final.
Thanks,
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 10, 2017 12:10 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Victor,
We will send out a revised version of Amending Agreement #10, which has already been updated to include the Permitted Liens language, once we finalize the Credit Facility Agreement. Do you have any update on that agreement?
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 9:03 AM

To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Thanks Will. I'm assuming you will also be separately providing a revised Amending Agreement #10 with the relevant changes ?
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 06, 2017 11:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes revised Permitted Liens (K) language. Obviously the letter agreement needs to be executed first.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, October 04, 2017 3:53 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –
" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "
Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.
Let me know if you have any questions.
Regards,
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,
That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.
Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.
We look forward to the Permitted Liens changes tomorrow.
Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. Thanks for these drafts. I note that clean Word and pdf versions of v.3 of the FHP Credit Agreement were attached, but there was no attachment re Amending Agreement #10 to the existing facility (not sure if that was intended).

We cannot yet provide detailed comments on the Intercept Letter itself or on the language related to the Intercept Letter now included in v.3 of the FHP Credit Facility. We will provide those comments after we have been able to confirm whether any concerns arise out of the discussions with OPG. However, at a high level, I note that the current draft of the Intercept Letter states that the existing facility (i.e. the one to be reduced to $475MM) will also be subject to the Intercept mechanism. Based on our prior discussions, we thought this existing facility was being "grandfathered" and so would not be subject to the OFA policy that requires inclusion of the Intercept mechanism/language. Can you please clarify OFA's intended approach on this ?

Also, just wanted to let you know that based on our most recent reviews of the draft documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.

Feel free to call if you have any questions.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.

The latest versions are:

OFA IESO Amending Agreement No. 10 – Execution Version v2.

FHP Credit Facility Agreement – Execution Version v3.
Thanks,
Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.
FHP credit facility agreement
1.Page 18. Facsimile: (416)860-8346
2. Page 20. Delivered Via Email: CASHP@ofina.on.ca
3. Page 22. Delivered Via Email: CASHP@ofina.on.ca
OFA IESO Amending Agreement No. 10
Page 6. Delivered Via Email: CASHP@ofina.on.ca
Page 8. Delivered Via Email: CASHP@ofina.on.ca
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.

4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
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1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

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Will

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Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

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Cc: William Tan; Lisa Stein
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To:	"Victor Buza"; William Tan; Anthony Martinello
Cc:	Sarah Harris
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Tuesday, October 10, 2017 12:09:31 PM

Hi Victor,
We will send out a revised version of Amending Agreement #10, which has already been updated to include the Permitted Liens language, once we finalize the Credit Facility Agreement. Do you have any update on that agreement?
Thank you,
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To: William Tan ; Anthony Martinello
Cc: Sarah Harris ; Lisa Stein
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
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Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –
" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "
Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.
Let me know if you have any questions.
Regards,

Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,

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Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.

We look forward to the Permitted Liens changes tomorrow.

Thanks,

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To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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Also, just wanted to let you know that based on our most recent reviews of the draft documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.

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From:	William Tan
To:	Sarah Harris
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Tuesday, October 10, 2017 10:17:10 AM

Hi Sarah,
I understand.
Will

From: Sarah Harris
Sent: Tuesday, October 10, 2017 10:01 AM
To: William Tan
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will,
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From: William Tan
Sent: Friday, October 06, 2017 11:01 PM
To: Anthony Martinello <Anthony.Martinello@ieso.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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FHP Credit Facility Agreement – Execution Version v3.

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Please let me know if these documents appear in order.

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Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

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416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
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In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

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Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

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Cc: Sarah Harris; Lisa Stein
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Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

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Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From: Sarah Harris
To: William Tan
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Tuesday, October 10, 2017 10:00:48 AM

Hi Will,
Thanks for sending this. Per Sarah N's e-mail, we should try to re-direct e-mails solely to Anthony, and cc' Lisa and Victor as counsel. It was hard to do with this one since it came directly from Victor, but for "fresh' e-mails, going forward let's address them per Sarah N's direction.
Thanks,
Sarah

From: William Tan
Sent: Friday, October 06, 2017 11:01 PM
To: Anthony Martinello ; 'Victor Buza'
Cc: Sarah Harris ; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10
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" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "
Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.
Let me know if you have any questions.
Regards,
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
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To: William Tan; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Tuesday, October 10, 2017 9:02:47 AM

Thanks Will. I'm assuming you will also be separately providing a revised Amending Agreement #10 with the relevant changes ?
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OFA IESO Amending Agreement No. 10
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Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

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1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
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Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
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Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

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To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Touch Base

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

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416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

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- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From: Victor Buza
To: William Tan; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Tuesday, October 10, 2017 9:02:47 AM

Thanks Will. I'm assuming you will also be separately providing a revised Amending Agreement #10 with the relevant changes ?
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 06, 2017 11:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes revised Permitted Liens (K) language. Obviously the letter agreement needs to be executed first.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, October 04, 2017 3:53 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –
" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "
Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.
Let me know if you have any questions.
Regards,
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,
That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.
Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have

concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.
We look forward to the Permitted Liens changes tomorrow.
Thanks,
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From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. Thanks for these drafts. I note that clean Word and pdf versions of v.3 of the FHP Credit Agreement were attached, but there was no attachment re Amending Agreement #10 to the existing facility (not sure if that was intended).
We cannot yet provide detailed comments on the Intercept Letter itself or on the language related to the Intercept Letter now included in v.3 of the FHP Credit Facility. We will provide those comments after we have been able to confirm whether any concerns arise out of the discussions with OPG. However, at a high level, I note that the current draft of the Intercept Letter states that the existing facility (i.e. the one to be reduced to $475MM) will also be subject to the Intercept mechanism. Based on our prior discussions, we thought this existing facility was being "grandfathered" and so would not be subject to the OFA policy that requires inclusion of the Intercept mechanism/language. Can you please clarify OFA's intended approach on this ?
Also, just wanted to let you know that based on our most recent reviews of the draft documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.
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Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.
The latest versions are:
OFA IESO Amending Agreement No. 10 – Execution Version v2.
FHP Credit Facility Agreement – Execution Version v3.
Thanks,
Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.
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Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

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- we would then ask if you could please insert the execution date, where appropriate, on each agreement
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From:	Lisa Stein
To:	"Victor Buza"; William Tan; Anthony Martinello
Cc:	Sarah Harris; John Kim
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Thursday, October 05, 2017 12:24:54 PM

As discussed this morning, we are okay with this revised paragraph and will add it to the latest execution version.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, October 04, 2017 3:53 PM
To: William Tan ; Anthony Martinello
Cc: Sarah Harris ; Lisa Stein ; John Kim
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –

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Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.

Let me know if you have any questions.

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In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement

- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

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From:	Lisa Stein
To:	"Victor Buza"; William Tan; Anthony Martinello
Cc:	Sarah Harris; John Kim
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Thursday, October 05, 2017 12:24:54 PM

As discussed this morning, we are okay with this revised paragraph and will add it to the latest execution version.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, October 04, 2017 3:53 PM
To: William Tan ; Anthony Martinello
Cc: Sarah Harris ; Lisa Stein ; John Kim
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –

" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "

Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.

Let me know if you have any questions.

Regards,

Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,

That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.

Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.

We look forward to the Permitted Liens changes tomorrow.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. Thanks for these drafts. I note that clean Word and pdf versions of v.3 of the FHP Credit Agreement were attached, but there was no attachment re Amending Agreement #10 to the existing facility (not sure if that was intended).

We cannot yet provide detailed comments on the Intercept Letter itself or on the language related to the Intercept Letter now included in v.3 of the FHP Credit Facility. We will provide those comments after we have been able to confirm whether any concerns arise out of the discussions with OPG. However, at a high level, I note that the current draft of the Intercept Letter states that the existing facility (i.e. the one to be reduced to $475MM) will also be subject to the Intercept mechanism. Based on our prior discussions, we thought this existing facility was being "grandfathered" and so would not be subject to the OFA policy that requires inclusion of the Intercept mechanism/language. Can you please clarify OFA's intended approach on this ?
Also, just wanted to let you know that based on our most recent reviews of the draft documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.
Feel free to call if you have any questions.
Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.
The latest versions are:
OFA IESO Amending Agreement No. 10 – Execution Version v2.
FHP Credit Facility Agreement – Execution Version v3.
Thanks,
Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.

FHP credit facility agreement

1.Page 18. Facsimile: (416)860-8346

2. Page 20. Delivered Via Email: CASHP@ofina.on.ca

3. Page 22. Delivered Via Email: CASHP@ofina.on.ca

OFA IESO Amending Agreement No. 10

Page 6. Delivered Via Email: CASHP@ofina.on.ca

Page 8. Delivered Via Email: CASHP@ofina.on.ca

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Tuesday, September 12, 2017 3:59 PM

To: William Tan <William.Tan@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
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4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
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Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

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Thanks,

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From: William Tan
To: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Friday, October 27, 2017 8:26:56 AM

Good morning Sarah,
Currently Anthony is out of the office on holiday but can be reach via email. I will send Lisa a copy of the order of events checklist now for her review. I will coordinate with Lisa on the Amending Agreement No. 10, as soon as she is available.
Thanks,
Will

From: Sarah Harris
Sent: Thursday, October 26, 2017 10:51 PM
To: William Tan
Subject: Fwd: Final Docs for FHP Credit Agreement and AA#10
Hi Will,
Have you spoken to Anthony and Lisa about the order of agreement execution which we discussed yesterday? Seems like IESO has a different idea as at now.
Sarah
Sent from my iPhone

Begin forwarded message:

> **From:** Victor Buza <Victor.Buza@ieso.ca>
> **Date:** October 26, 2017 at 8:05:18 PM EDT
> **To:** Lisa Stein <Lisa.Stein@ofina.on.ca>
> **Cc:** Sarah Harris <Sarah.Harris@ofina.on.ca>, William Tan <William.Tan@ofina.on.ca>, Anthony Martinello <Anthony.Martinello@ieso.ca>, John Kim <John.Kim@ofina.on.ca>
> **Subject: Re: Final Docs for FHP Credit Agreement and AA#10**
>
> Thanks Lisa - I'd be happy to look at whatever you have by tomorrow mid-afternoon even if not entirely complete in order to keep things moving forward. Per my email exchange with John earlier this week, we were targeting signing both agreements and the Intercept Letter by no later than middle of next week - please let us know if there is a view that target is at risk or is not achievable for any reason.
> Victor
> Sent from my BlackBerry 10 smartphone on the Rogers network.
>
> ---
>
> **From:** Lisa Stein
> **Sent:** Thursday, October 26, 2017 6:25 PM
> **To:** Victor Buza
> **Cc:** Sarah Harris; William Tan; Anthony Martinello
> **Subject:** RE: Final Docs for FHP Credit Agreement and AA#10
> Hi Victor,
> We are still finalizing AA#10. We will send it to you either tomorrow or early next week.
> Thank you,

Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, October 26, 2017 5:45 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Lisa – just wanted to check whether the latest version of AA#10 was ever sent across for our review or whether you were still waiting on finalization of the FHP Credit Agreement ? I can't seem to find anything in my system.
I would like to review the additions to the Permitted Liens language in AA#10 asap even if the addition of the Intercept language is not final.
Thanks,
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 10, 2017 12:10 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Victor,
We will send out a revised version of Amending Agreement #10, which has already been updated to include the Permitted Liens language, once we finalize the Credit Facility Agreement. Do you have any update on that agreement?
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 9:03 AM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Thanks Will. I'm assuming you will also be separately providing a revised Amending Agreement #10 with the relevant changes ?
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 06, 2017 11:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes revised Permitted Liens (K) language. Obviously the letter agreement needs to be executed first.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Wednesday, October 04, 2017 3:53 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –

" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "

Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.

Let me know if you have any questions.

Regards,

Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,

That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.

Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.

We look forward to the Permitted Liens changes tomorrow.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

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Feel free to call if you have any questions.
Regards,
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Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
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FHP Credit Facility Agreement – Execution Version v3.
Thanks,
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From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
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FHP credit facility agreement

1.Page 18. Facsimile: (416)860-8346

2. Page 20. Delivered Via Email: CASHP@ofina.on.ca

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OFA IESO Amending Agreement No. 10

Page 6. Delivered Via Email: CASHP@ofina.on.ca

Page 8. Delivered Via Email: CASHP@ofina.on.ca

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

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1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
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Regards,

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Independent Electricity System Operator (IESO) | T: 416-969-6079
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From: William Tan [mailto:William.Tan@ofina.on.ca]
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To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

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Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
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Subject: RE: Touch Base

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

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Sarah

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From: Victor Buza
To: William Tan; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Wednesday, October 04, 2017 3:52:52 PM

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –

" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "

Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.

Let me know if you have any questions.

Regards,

Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,

That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.

Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.

We look forward to the Permitted Liens changes tomorrow.

Thanks,

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From: Victor Buza [mailto:Victor.Buza@ieso.ca]
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To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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Feel free to call if you have any questions.
Regards,
Victor

Victor Buza | Senior Counsel
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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.
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OFA IESO Amending Agreement No. 10 – Execution Version v2.
FHP Credit Facility Agreement – Execution Version v3.
Thanks,
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Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.
FHP credit facility agreement
1.Page 18. Facsimile: (416)860-8346

2. Page 20. Delivered Via Email: CASHP@ofina.on.ca
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OFA IESO Amending Agreement No. 10
Page 6. Delivered Via Email: CASHP@ofina.on.ca
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Thanks,
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Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
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Subject: Final Docs for FHP Credit Agreement and AA#10

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1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
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3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.
4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.
Regards,
Victor

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each

agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

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From:	Lisa Stein
To:	John Kim; Sarah Neville; William Tan
Cc:	Sarah Harris
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Wednesday, October 04, 2017 11:32:38 AM

To avoid crossed messaging, I think we should wait until tomorrow when everyone is available

From: John Kim
Sent: Wednesday, October 04, 2017 11:29 AM
To: Lisa Stein ; Sarah Neville ; William Tan
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

I agree as well. Today isn't good for me as I have an appointment this afternoon. Go ahead without me.
John

From: Lisa Stein
Sent: October-04-17 11:23 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

I agree with this approach. My schedule is open until 3 pm (I'm in meetings the rest of the afternoon).

From: Sarah Neville
Sent: Wednesday, October 04, 2017 11:20 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

My recommendation would be that the next step would be to set up a call today with counsel (Lisa and Victor) and clients (Anthony, William, Sarah and John) and discuss the Existing Agreement and inclusion of the intercept, but also to prioritize that the letter and the new line should be completed first. That way it can be determined if the intercept's inclusion in the $425 line is a deal breaker for IESO, if so, what their issues are or if they are just trying to confirm our position. Based on the outcome of that discussion a clear path forward could be identified hopefully quickly with everyone on the same page and we can clarify roles.
Sarah

From: John Kim
Sent: Wednesday, October 04, 2017 11:00 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

I agree. Not sure staff should be having a call or exchange of emails with a "Senior Counsel" from another organization.
In my case, I had scheduled a call with Anthony and he invited Victor. I didn't know he was a Legal Cousel until William forwarded the email below.

John

From: Sarah Neville
Sent: October-04-17 10:46 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello – I know we are all focused on trying to get this done in as efficient manner as possible, but I think now is a good time to reset/refresh the dynamic. I should have picked up on this last week when I was monitoring John's e-mails, but I too got caught up in the task of getting the file moving and getting feedback from the other parties.

It is not appropriate in the ordinary course for counsel on one side to be speaking directly to clients on the other and vice versa. Will please respond to Anthony and copy Victor and Lisa on the communications. If you get communications directly from Victor, please forward to Lisa or I. If there are discussions with IESO, if their counsel is present Lisa or I should also be present.

Please let me know if there are questions or if you would like to discuss. Hopefully we are close to resolution on this.

Sarah

From: John Kim
Sent: Wednesday, October 04, 2017 10:08 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Sarah,

I had a discussion early on with Anthony and Victor when we first floated the idea of a letter agreement. I would not say that I made a representation in that call as I left it vague as to how things come about without the intercept provision, i.e. amendments to extend the original facility. The discussion was exploratory.

I believe I have always discussed requiring the provision for both facilities.

All said, I didn't realize Victor was a lawyer.

I know we discussed some comfort about the lending policy at the time of the first Directive but think both facilities should be brought onside with the current policy.

John

William, I thought Sarah N. wanted to clarify this before responding to Victor?

From: Sarah Neville
Sent: October-04-17 9:56 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Joan - My preference is to also bring it into alignment with the current policy. But before we respond to IESO at what point was "grandfathering" discussed with IESO and what was the context of those discussions? If representations were made we need to deal with those in the response.

Sarah

From: John Kim
Sent: Wednesday, October 04, 2017 9:52 AM

To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
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When you respond to Victor, pls. copy me.

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From: William Tan
Sent: October-04-17 9:46 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

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Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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Feel free to call if you have any questions.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
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Hello Anthony and Victor,

Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.

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FHP Credit Facility Agreement – Execution Version v3.

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Please let me know if these documents appear in order.

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To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
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We have accepted your suggested changes and made a couple minor changes of our own.

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Subject: RE: Touch Base

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.
Regards,
Victor
416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,
Will is sick today, so I wanted touch base with you on the agreements and the directive.
Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.
In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.
Thanks,
Sarah

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From:	Lisa Stein
To:	John Kim; Sarah Neville; William Tan
Cc:	Sarah Harris
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Wednesday, October 04, 2017 11:32:38 AM

To avoid crossed messaging, I think we should wait until tomorrow when everyone is available

From: John Kim
Sent: Wednesday, October 04, 2017 11:29 AM
To: Lisa Stein ; Sarah Neville ; William Tan
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

I agree as well. Today isn't good for me as I have an appointment this afternoon. Go ahead without me.
John

From: Lisa Stein
Sent: October-04-17 11:23 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

I agree with this approach. My schedule is open until 3 pm (I'm in meetings the rest of the afternoon).

From: Sarah Neville
Sent: Wednesday, October 04, 2017 11:20 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

My recommendation would be that the next step would be to set up a call today with counsel (Lisa and Victor) and clients (Anthony, William, Sarah and John) and discuss the Existing Agreement and inclusion of the intercept, but also to prioritize that the letter and the new line should be completed first. That way it can be determined if the intercept's inclusion in the $425 line is a deal breaker for IESO, if so, what their issues are or if they are just trying to confirm our position. Based on the outcome of that discussion a clear path forward could be identified hopefully quickly with everyone on the same page and we can clarify roles.
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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

I agree. Not sure staff should be having a call or exchange of emails with a "Senior Counsel" from another organization.
In my case, I had scheduled a call with Anthony and he invited Victor. I didn't know he was a Legal Cousel until William forwarded the email below.

John

From: Sarah Neville
Sent: October-04-17 10:46 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello – I know we are all focused on trying to get this done in as efficient manner as possible, but I think now is a good time to reset/refresh the dynamic. I should have picked up on this last week when I was monitoring John's e-mails, but I too got caught up in the task of getting the file moving and getting feedback from the other parties.

It is not appropriate in the ordinary course for counsel on one side to be speaking directly to clients on the other and vice versa. Will please respond to Anthony and copy Victor and Lisa on the communications. If you get communications directly from Victor, please forward to Lisa or I. If there are discussions with IESO, if their counsel is present Lisa or I should also be present.

Please let me know if there are questions or if you would like to discuss. Hopefully we are close to resolution on this.

Sarah

From: John Kim
Sent: Wednesday, October 04, 2017 10:08 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Sarah,

I had a discussion early on with Anthony and Victor when we first floated the idea of a letter agreement. I would not say that I made a representation in that call as I left it vague as to how things come about without the intercept provision, i.e. amendments to extend the original facility. The discussion was exploratory.

I believe I have always discussed requiring the provision for both facilities.

All said, I didn't realize Victor was a lawyer.

I know we discussed some comfort about the lending policy at the time of the first Directive but think both facilities should be brought onside with the current policy.

John

William, I thought Sarah N. wanted to clarify this before responding to Victor?

From: Sarah Neville
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Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Joan - My preference is to also bring it into alignment with the current policy. But before we respond to IESO at what point was "grandfathering" discussed with IESO and what was the context of those discussions? If representations were made we need to deal with those in the response.

Sarah

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To: William Tan <William.Tan@ofina.on.ca>
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Subject: RE: Final Docs for FHP Credit Agreement and AA#10
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To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
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Regards,
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Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]
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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

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Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.

The latest versions are:

OFA IESO Amending Agreement No. 10 – Execution Version v2.

FHP Credit Facility Agreement – Execution Version v3.

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Please let me know if these documents appear in order.

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From:	John Kim
To:	Lisa Stein; Sarah Neville; William Tan
Cc:	Sarah Harris
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Wednesday, October 04, 2017 11:28:31 AM

I agree as well. Today isn't good for me as I have an appointment this afternoon. Go ahead without me.
John

From: Lisa Stein
Sent: October-04-17 11:23 AM
To: Sarah Neville ; John Kim ; William Tan
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
I agree with this approach. My schedule is open until 3 pm (I'm in meetings the rest of the afternoon).

From: Sarah Neville
Sent: Wednesday, October 04, 2017 11:20 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
My recommendation would be that the next step would be to set up a call today with counsel (Lisa and Victor) and clients (Anthony, William, Sarah and John) and discuss the Existing Agreement and inclusion of the intercept, but also to prioritize that the letter and the new line should be completed first. That way it can be determined if the intercept's inclusion in the $425 line is a deal breaker for IESO, if so, what their issues are or if they are just trying to confirm our position. Based on the outcome of that discussion a clear path forward could be identified hopefully quickly with everyone on the same page and we can clarify roles.
Sarah

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- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From: Lisa Stein
To: Sarah Neville; John Kim; William Tan
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Wednesday, October 04, 2017 11:22:49 AM

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Cc: Lisa Stein ; Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

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Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
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Feel free to call if you have any questions.
Regards,
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Victor Buza | Senior Counsel
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Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]
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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.

The latest versions are:

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FHP Credit Facility Agreement – Execution Version v3.

Thanks,

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To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
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1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following “September” as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).

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Regards,

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,
Victor
416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

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Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Wednesday, October 04, 2017 11:22:49 AM

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1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

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From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,
Victor
416-969-6079

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To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
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In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,
Sarah

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It is not appropriate in the ordinary course for counsel on one side to be speaking directly to clients on the other and vice versa. Will please respond to Anthony and copy Victor and Lisa on the communications. If you get communications directly from Victor, please forward to Lisa or I. If there are discussions with IESO, if their counsel is present Lisa or I should also be present.
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To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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To: Anthony Martinello; Victor Buza
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The latest versions are:
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1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA

financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.

4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

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financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.

4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From: William Tan
To: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Friday, October 27, 2017 8:26:56 AM

Good morning Sarah,
Currently Anthony is out of the office on holiday but can be reach via email. I will send Lisa a copy of the order of events checklist now for her review. I will coordinate with Lisa on the Amending Agreement No. 10, as soon as she is available.
Thanks,
Will

From: Sarah Harris
Sent: Thursday, October 26, 2017 10:51 PM
To: William Tan
Subject: Fwd: Final Docs for FHP Credit Agreement and AA#10
Hi Will,
Have you spoken to Anthony and Lisa about the order of agreement execution which we discussed yesterday? Seems like IESO has a different idea as at now.
Sarah
Sent from my iPhone

Begin forwarded message:

> **From:** Victor Buza <Victor.Buza@ieso.ca>
> **Date:** October 26, 2017 at 8:05:18 PM EDT
> **To:** Lisa Stein <Lisa.Stein@ofina.on.ca>
> **Cc:** Sarah Harris <Sarah.Harris@ofina.on.ca>, William Tan <William.Tan@ofina.on.ca>, Anthony Martinello <Anthony.Martinello@ieso.ca>, John Kim <John.Kim@ofina.on.ca>
> **Subject: Re: Final Docs for FHP Credit Agreement and AA#10**
>
> Thanks Lisa - I'd be happy to look at whatever you have by tomorrow mid-afternoon even if not entirely complete in order to keep things moving forward. Per my email exchange with John earlier this week, we were targeting signing both agreements and the Intercept Letter by no later than middle of next week - please let us know if there is a view that target is at risk or is not achievable for any reason.
> Victor
> Sent from my BlackBerry 10 smartphone on the Rogers network.
>
> ---
>
> **From:** Lisa Stein
> **Sent:** Thursday, October 26, 2017 6:25 PM
> **To:** Victor Buza
> **Cc:** Sarah Harris; William Tan; Anthony Martinello
> **Subject:** RE: Final Docs for FHP Credit Agreement and AA#10
> Hi Victor,
> We are still finalizing AA#10. We will send it to you either tomorrow or early next week.
> Thank you,

Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, October 26, 2017 5:45 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Lisa – just wanted to check whether the latest version of AA#10 was ever sent across for our review or whether you were still waiting on finalization of the FHP Credit Agreement ? I can't seem to find anything in my system.
I would like to review the additions to the Permitted Liens language in AA#10 asap even if the addition of the Intercept language is not final.
Thanks,
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 10, 2017 12:10 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Victor,
We will send out a revised version of Amending Agreement #10, which has already been updated to include the Permitted Liens language, once we finalize the Credit Facility Agreement. Do you have any update on that agreement?
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 9:03 AM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Thanks Will. I'm assuming you will also be separately providing a revised Amending Agreement #10 with the relevant changes ?
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 06, 2017 11:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes revised Permitted Liens (K) language. Obviously the letter agreement needs to be executed first.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Wednesday, October 04, 2017 3:53 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –

" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "

Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.

Let me know if you have any questions.

Regards,

Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,

That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.

Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.

We look forward to the Permitted Liens changes tomorrow.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. Thanks for these drafts. I note that clean Word and pdf versions of v.3 of the FHP Credit Agreement were attached, but there was no attachment re Amending Agreement #10 to the existing facility (not sure if that was intended).

We cannot yet provide detailed comments on the Intercept Letter itself or on the language related to the Intercept Letter now included in v.3 of the FHP Credit Facility. We will provide those comments after we have been able to confirm whether any concerns arise out of the discussions with OPG. However, at a high level, I note that the

current draft of the Intercept Letter states that the existing facility (i.e. the one to be reduced to $475MM) will also be subject to the Intercept mechanism. Based on our prior discussions, we thought this existing facility was being "grandfathered" and so would not be subject to the OFA policy that requires inclusion of the Intercept mechanism/language. Can you please clarify OFA's intended approach on this ?
Also, just wanted to let you know that based on our most recent reviews of the draft documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.
Feel free to call if you have any questions.
Regards,
Victor

Victor Buza | Senior Counsel
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Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.
The latest versions are:
OFA IESO Amending Agreement No. 10 – Execution Version v2.
FHP Credit Facility Agreement – Execution Version v3.
Thanks,
Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
We have made the following minor changes to the execution copies below. For

operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.

FHP credit facility agreement

1.Page 18. Facsimile: (416)860-8346

2. Page 20. Delivered Via Email: CASHP@ofina.on.ca

3. Page 22. Delivered Via Email: CASHP@ofina.on.ca

OFA IESO Amending Agreement No. 10

Page 6. Delivered Via Email: CASHP@ofina.on.ca

Page 8. Delivered Via Email: CASHP@ofina.on.ca

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

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1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
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Please let me know if these documents appear in order.

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1600-120 Adelaide Street West, Toronto, ON M5H 1T1

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Cc: Sarah Harris; Lisa Stein
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Subject: RE: Touch Base

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive. Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on

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- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From:	John Kim
To:	Sarah Neville; William Tan
Cc:	Lisa Stein; Sarah Harris
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Wednesday, October 04, 2017 10:59:46 AM

I agree. Not sure staff should be having a call or exchange of emails with a "Senior Counsel" from another organization.
In my case, I had scheduled a call with Anthony and he invited Victor. I didn't know he was a Legal Cousel until William forwarded the email below.
John

From: Sarah Neville
Sent: October-04-17 10:46 AM
To: John Kim ; William Tan
Cc: Lisa Stein ; Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello – I know we are all focused on trying to get this done in as efficient manner as possible, but I think now is a good time to reset/refresh the dynamic. I should have picked up on this last week when I was monitoring John's e-mails, but I too got caught up in the task of getting the file moving and getting feedback from the other parties.
It is not appropriate in the ordinary course for counsel on one side to be speaking directly to clients on the other and vice versa. Will please respond to Anthony and copy Victor and Lisa on the communications. If you get communications directly from Victor, please forward to Lisa or I. If there are discussions with IESO, if their counsel is present Lisa or I should also be present.
Please let me know if there are questions or if you would like to discuss. Hopefully we are close to resolution on this.
Sarah

From: John Kim
Sent: Wednesday, October 04, 2017 10:08 AM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Sarah,
I had a discussion early on with Anthony and Victor when we first floated the idea of a letter agreement. I would not say that I made a representation in that call as I left it vague as to how things come about without the intercept provision, i.e. amendments to extend the original facility. The discussion was exploratory.
I believe I have always discussed requiring the provision for both facilities.
All said, I didn't realize Victor was a lawyer.
I know we discussed some comfort about the lending policy at the time of the first Directive but think both facilities should be brought onside with the current policy.
John
William, I thought Sarah N. wanted to clarify this before responding to Victor?

From: Sarah Neville
Sent: October-04-17 9:56 AM

To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Joan - My preference is to also bring it into alignment with the current policy. But before we respond to IESO at what point was "grandfathering" discussed with IESO and what was the context of those discussions? If representations were made we need to deal with those in the response.
Sarah

From: John Kim
Sent: Wednesday, October 04, 2017 9:52 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi William,
My view is that the existing facility should also be amended. Sarah N. can let us know her view as well. I would also indicate that the $2bn facility is more time sensitive.
When you respond to Victor, pls. copy me.
John

From: William Tan
Sent: October-04-17 9:46 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello John,
Victor would like some clarification with regards to the application of the intercept provision to the Existing Credit Facility. His understanding is that the provision only applies to the FHP Credit Facility and that the Existing Credit Facility is to be grandfather. Could you please respond to Victor on this matter?
"current draft of the Intercept Letter states that the existing facility (i.e. the one to be reduced to $475MM) will also be subject to the Intercept mechanism. Based on our prior discussions, we thought this existing facility was being "grandfathered" and so would not be subject to the OFA policy that requires inclusion of the Intercept mechanism/language. Can you please clarify OFA's intended approach on this ?"
Thanks,
Will

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Feel free to call if you have any questions.

Regards,

Victor

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The latest versions are:

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FHP Credit Facility Agreement – Execution Version v3.

Thanks,

Will

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Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

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Victor

416-969-6079

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Cc: William Tan; Lisa Stein
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In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.

- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

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From:	John Kim
To:	Sarah Neville; William Tan
Cc:	Lisa Stein; Sarah Harris
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Wednesday, October 04, 2017 10:59:46 AM

I agree. Not sure staff should be having a call or exchange of emails with a "Senior Counsel" from another organization.
In my case, I had scheduled a call with Anthony and he invited Victor. I didn't know he was a Legal Cousel until William forwarded the email below.
John

From: Sarah Neville
Sent: October-04-17 10:46 AM
To: John Kim ; William Tan
Cc: Lisa Stein ; Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

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It is not appropriate in the ordinary course for counsel on one side to be speaking directly to clients on the other and vice versa. Will please respond to Anthony and copy Victor and Lisa on the communications. If you get communications directly from Victor, please forward to Lisa or I. If there are discussions with IESO, if their counsel is present Lisa or I should also be present.
Please let me know if there are questions or if you would like to discuss. Hopefully we are close to resolution on this.
Sarah

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Sent: Wednesday, October 04, 2017 10:08 AM
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Hi Joan - My preference is to also bring it into alignment with the current policy. But before we respond to IESO at what point was "grandfathering" discussed with IESO and what was the context of those discussions? If representations were made we need to deal with those in the response.
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Date: Wednesday, October 04, 2017 10:46:08 AM

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4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

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416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
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- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From: Sarah Neville
To: John Kim; William Tan
Cc: Lisa Stein; Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Wednesday, October 04, 2017 10:46:08 AM

Hello – I know we are all focused on trying to get this done in as efficient manner as possible, but I think now is a good time to reset/refresh the dynamic. I should have picked up on this last week when I was monitoring John's e-mails, but I too got caught up in the task of getting the file moving and getting feedback from the other parties.
It is not appropriate in the ordinary course for counsel on one side to be speaking directly to clients on the other and vice versa. Will please respond to Anthony and copy Victor and Lisa on the communications. If you get communications directly from Victor, please forward to Lisa or I. If there are discussions with IESO, if their counsel is present Lisa or I should also be present.
Please let me know if there are questions or if you would like to discuss. Hopefully we are close to resolution on this.
Sarah

From: John Kim
Sent: Wednesday, October 04, 2017 10:08 AM
To: Sarah Neville ; William Tan
Cc: Lisa Stein ; Sarah Harris
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Hi Joan - My preference is to also bring it into alignment with the current policy. But before we respond to IESO at what point was "grandfathering" discussed with IESO and what was the context of those discussions? If representations were made we need to deal with those in the response.
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Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi William,

My view is that the existing facility should also be amended. Sarah N. can let us know her view as well. I would also indicate that the $2bn facility is more time sensitive.

When you respond to Victor, pls. copy me.

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Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.

Feel free to call if you have any questions.

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.

The latest versions are:

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Regards,

Victor

416-969-6079

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Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
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From: John Kim
To: Sarah Neville; William Tan
Cc: Lisa Stein; Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Wednesday, October 04, 2017 10:07:36 AM

Hi Sarah,
I had a discussion early on with Anthony and Victor when we first floated the idea of a letter agreement. I would not say that I made a representation in that call as I left it vague as to how things come about without the intercept provision, i.e. amendments to extend the original facility. The discussion was exploratory.
I believe I have always discussed requiring the provision for both facilities.
All said, I didn't realize Victor was a lawyer.
I know we discussed some comfort about the lending policy at the time of the first Directive but think both facilities should be brought onside with the current policy.
John
William, I thought Sarah N. wanted to clarify this before responding to Victor?

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Sent: October-04-17 9:56 AM
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From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,
Will is sick today, so I wanted touch base with you on the agreements and the directive.
Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.
In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
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- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.
Thanks,
Sarah

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From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; Anthony Martinello
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Thursday, October 26, 2017 6:25:25 PM

Hi Victor,
We are still finalizing AA#10. We will send it to you either tomorrow or early next week.
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, October 26, 2017 5:45 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; Anthony Martinello
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Lisa – just wanted to check whether the latest version of AA#10 was ever sent across for our review or whether you were still waiting on finalization of the FHP Credit Agreement ? I can't seem to find anything in my system.
I would like to review the additions to the Permitted Liens language in AA#10 asap even if the addition of the Intercept language is not final.
Thanks,
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 10, 2017 12:10 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Victor,
We will send out a revised version of Amending Agreement #10, which has already been updated to include the Permitted Liens language, once we finalize the Credit Facility Agreement. Do you have any update on that agreement?
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 9:03 AM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Thanks Will. I'm assuming you will also be separately providing a revised Amending Agreement #10 with the relevant changes ?
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 06, 2017 11:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10
Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes revised

Permitted Liens (K) language. Obviously the letter agreement needs to be executed first.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, October 04, 2017 3:53 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –
" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "
Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.
Let me know if you have any questions.
Regards,
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,
That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.
Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.
We look forward to the Permitted Liens changes tomorrow.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

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Feel free to call if you have any questions.
Regards,
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Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
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The latest versions are:
OFA IESO Amending Agreement No. 10 – Execution Version v2.
FHP Credit Facility Agreement – Execution Version v3.
Thanks,
Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
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1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
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3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.
4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.
Regards,
Victor

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Subject: FW: Touch Base

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To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

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To: William Tan; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
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Date: Tuesday, October 03, 2017 4:12:02 PM

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Regards,

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Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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OFA IESO Amending Agreement No. 10

Page 6. Delivered Via Email: CASHP@ofina.on.ca

Page 8. Delivered Via Email: CASHP@ofina.on.ca

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
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4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,
We have accepted your suggested changes and made a couple minor changes of our own.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Touch Base

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.
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Victor
416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,
Will is sick today, so I wanted touch base with you on the agreements and the directive.
Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I

hear anything.
In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.
Thanks,
Sarah

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

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From:	William Tan
To:	"Victor Buza"; Anthony Martinello
Cc:	Sarah Harris; Lisa Stein
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Friday, September 15, 2017 1:41:53 PM
Attachments:	FHP credit facility agreement - Execution Version v2.docx FHP credit facility agreement - Execution Version v2.pdf OFA IESO Amending Agreement No 10 - Execution Version v2.docx OFA IESO Amending Agreement No 10 - Execution Version v2.pdf

Hello Anthony and Victor,

We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.

FHP credit facility agreement

1.Page 18. Facsimile: (416)860-8346

2. Page 20. Delivered Via Email: CASHP@ofina.on.ca

3. Page 22. Delivered Via Email: CASHP@ofina.on.ca

OFA IESO Amending Agreement No. 10

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1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of “Advances” in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   “**Advances**” means advances made by the OFA to the IESO under Article 3 and “Advance” means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a “Continued Advance”, as defined in Section 3.3(1), as applicable.”

2. The definition of “Commitment” in Section 1.1 of the Credit Agreement is amended by deleting “$975,000,000” and substituting “$475,000,000” therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   “**Continued Advance”** has the meaning specified in Section 3.3(1).

   “**Current Repayment Date**” has the meaning specified in Section 3.3(2).

   “**New Repayment Date**” has the meaning specified in Section 3.3(2).

4. Section 2.3 “Use of Proceeds” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes.”

5. Section 3.2 “Procedures for Advances” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days’ prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **“Grid Note”)**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

   (2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

   (3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

   (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

   (5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of “Advances” in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   “**Advances**” means advances made by the OFA to the IESO under Article 3 and “Advance” means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a “Continued Advance”, as defined in Section 3.3(1), as applicable.”

2. The definition of “Commitment” in Section 1.1 of the Credit Agreement is amended by deleting “$975,000,000” and substituting “$475,000,000” therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   “**Continued Advance”** has the meaning specified in Section 3.3(1).

   “**Current Repayment Date**” has the meaning specified in Section 3.3(2).

   “**New Repayment Date**” has the meaning specified in Section 3.3(2).

4. Section 2.3 “Use of Proceeds” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes.”

5. Section 3.2 “Procedures for Advances” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days’ prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **“Grid Note”)**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

   (2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

   (3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

   (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

   (5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	"Victor Buza"; Anthony Martinello
Cc:	Sarah Harris; Lisa Stein
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Friday, September 15, 2017 1:41:53 PM
Attachments:	FHP credit facility agreement - Execution Version v2.docx FHP credit facility agreement - Execution Version v2.pdf OFA IESO Amending Agreement No 10 - Execution Version v2.docx OFA IESO Amending Agreement No 10 - Execution Version v2.pdf

Hello Anthony and Victor,

We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.

FHP credit facility agreement

1.Page 18. Facsimile: (416)860-8346

2. Page 20. Delivered Via Email: CASHP@ofina.on.ca

3. Page 22. Delivered Via Email: CASHP@ofina.on.ca

OFA IESO Amending Agreement No. 10

Page 6. Delivered Via Email: CASHP@ofina.on.ca

Page 8. Delivered Via Email: CASHP@ofina.on.ca

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Tuesday, September 12, 2017 3:59 PM

To: William Tan

Cc: Sarah Harris ; Lisa Stein ; Anthony Martinello

Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.
4. I created pdfs of all documents and also include MS Word versions of the Agreements and

Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of “Advances” in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   “**Advances**” means advances made by the OFA to the IESO under Article 3 and “Advance” means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a “Continued Advance”, as defined in Section 3.3(1), as applicable.”

2. The definition of “Commitment” in Section 1.1 of the Credit Agreement is amended by deleting “$975,000,000” and substituting “$475,000,000” therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   “**Continued Advance”** has the meaning specified in Section 3.3(1).

   “**Current Repayment Date**” has the meaning specified in Section 3.3(2).

   “**New Repayment Date**” has the meaning specified in Section 3.3(2).

4. Section 2.3 “Use of Proceeds” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes.”

5. Section 3.2 “Procedures for Advances” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days’ prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **“Grid Note”)**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

   (2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

   (3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

   (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

   (5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of “Advances” in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   “**Advances**” means advances made by the OFA to the IESO under Article 3 and “Advance” means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a “Continued Advance”, as defined in Section 3.3(1), as applicable.”

2. The definition of “Commitment” in Section 1.1 of the Credit Agreement is amended by deleting “$975,000,000” and substituting “$475,000,000” therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   “**Continued Advance”** has the meaning specified in Section 3.3(1).

   “**Current Repayment Date**” has the meaning specified in Section 3.3(2).

   “**New Repayment Date**” has the meaning specified in Section 3.3(2).

4. Section 2.3 “Use of Proceeds” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes.”

5. Section 3.2 “Procedures for Advances” of the Credit Agreement is deleted in its entirety and replaced by the following:

   “(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days’ prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **“Grid Note”)**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

   (2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

   (3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

   (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

   (5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

To:	William Tan
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Thursday, September 14, 2017 1:42:13 PM

Thanks, Will. Please send changes to IESO in execution form.
Thanks,
Sarah

From: William Tan
Sent: Thursday, September 14, 2017 1:39 PM
To: Sarah Harris
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi Sarah,
Fyi
No sign-off required from Lisa. Changes were not substantive. Please see below.
[9/14/2017 11:16 AM] William Tan:
Hi Lisa, Sarah and I have reviewed executed versions and have no comments except for the phone and email contacts we discussed. I will send IESO a second version of the documents. Do you need sign off on anything before i send them the second version?
the only thing i changed was the email and fax numbers.
[9/14/2017 11:28 AM] Lisa Stein:
No this is not substantive no sign off required
We saved this conversation. You'll see it soon in the Conversations tab in Lync and in the Conversation History folder in Outlook.
[9/14/2017 11:32 AM] William Tan:
Thanks Lisa.
We saved this conversation. You'll see it soon in the Conversations tab in Lync and in the Conversation History folder in Outlook.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is

changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.

4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

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From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; Anthony Martinello
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Thursday, October 26, 2017 6:25:25 PM

Hi Victor,
We are still finalizing AA#10. We will send it to you either tomorrow or early next week.
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, October 26, 2017 5:45 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; Anthony Martinello
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Lisa – just wanted to check whether the latest version of AA#10 was ever sent across for our review or whether you were still waiting on finalization of the FHP Credit Agreement ? I can't seem to find anything in my system.
I would like to review the additions to the Permitted Liens language in AA#10 asap even if the addition of the Intercept language is not final.
Thanks,
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 10, 2017 12:10 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Victor,
We will send out a revised version of Amending Agreement #10, which has already been updated to include the Permitted Liens language, once we finalize the Credit Facility Agreement. Do you have any update on that agreement?
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 9:03 AM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Thanks Will. I'm assuming you will also be separately providing a revised Amending Agreement #10 with the relevant changes ?
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 06, 2017 11:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10
Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes revised

Permitted Liens (K) language. Obviously the letter agreement needs to be executed first.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, October 04, 2017 3:53 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –
" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "
Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.
Let me know if you have any questions.
Regards,
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,
That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.
Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.
We look forward to the Permitted Liens changes tomorrow.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. Thanks for these drafts. I note that clean Word and pdf versions of v.3 of the FHP Credit Agreement were attached, but there was no attachment re Amending Agreement #10 to the existing facility (not sure if that was intended).
We cannot yet provide detailed comments on the Intercept Letter itself or on the language related to the Intercept Letter now included in v.3 of the FHP Credit Facility. We will provide those comments after we have been able to confirm whether any concerns arise out of the discussions

with OPG. However, at a high level, I note that the current draft of the Intercept Letter states that the existing facility (i.e. the one to be reduced to $475MM) will also be subject to the Intercept mechanism. Based on our prior discussions, we thought this existing facility was being "grandfathered" and so would not be subject to the OFA policy that requires inclusion of the Intercept mechanism/language. Can you please clarify OFA's intended approach on this ?
Also, just wanted to let you know that based on our most recent reviews of the draft documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.
Feel free to call if you have any questions.
Regards,
Victor

Victor Buza | Senior Counsel
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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.
The latest versions are:
OFA IESO Amending Agreement No. 10 – Execution Version v2.
FHP Credit Facility Agreement – Execution Version v3.
Thanks,
Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.

FHP credit facility agreement
1.Page 18. Facsimile: (416)860-8346
2. Page 20. Delivered Via Email: CASHP@ofina.on.ca
3. Page 22. Delivered Via Email: CASHP@ofina.on.ca
OFA IESO Amending Agreement No. 10
Page 6. Delivered Via Email: CASHP@ofina.on.ca
Page 8. Delivered Via Email: CASHP@ofina.on.ca
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
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4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.
Regards,
Victor

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

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- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
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Sarah

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From: Victor Buza
To: Lisa Stein
Cc: Sarah Harris; William Tan; Anthony Martinello
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Thursday, October 26, 2017 5:45:34 PM

Hi Lisa – just wanted to check whether the latest version of AA#10 was ever sent across for our review or whether you were still waiting on finalization of the FHP Credit Agreement ? I can't seem to find anything in my system.
I would like to review the additions to the Permitted Liens language in AA#10 asap even if the addition of the Intercept language is not final.
Thanks,
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 10, 2017 12:10 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Victor,
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Thank you,
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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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Sent: Wednesday, October 04, 2017 3:53 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim

<John.Kim@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –
" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "
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Let me know if you have any questions.
Regards,
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10
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Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.

Feel free to call if you have any questions.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.

The latest versions are:

OFA IESO Amending Agreement No. 10 – Execution Version v2.

FHP Credit Facility Agreement – Execution Version v3.

Thanks,

Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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FHP credit facility agreement

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2. Page 20. Delivered Via Email: CASHP@ofina.on.ca

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OFA IESO Amending Agreement No. 10

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Please let me know if these documents appear in order.
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Victor

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Subject: FW: Touch Base

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To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
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To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

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Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From: Victor Buza
To: Lisa Stein
Cc: Sarah Harris; William Tan; Anthony Martinello
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Thursday, October 26, 2017 5:45:34 PM

Hi Lisa – just wanted to check whether the latest version of AA#10 was ever sent across for our review or whether you were still waiting on finalization of the FHP Credit Agreement ? I can't seem to find anything in my system.
I would like to review the additions to the Permitted Liens language in AA#10 asap even if the addition of the Intercept language is not final.
Thanks,
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 10, 2017 12:10 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Victor,
We will send out a revised version of Amending Agreement #10, which has already been updated to include the Permitted Liens language, once we finalize the Credit Facility Agreement. Do you have any update on that agreement?
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 9:03 AM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Thanks Will. I'm assuming you will also be separately providing a revised Amending Agreement #10 with the relevant changes ?
Victor

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Sent: October 06, 2017 11:01 PM
To: Anthony Martinello; Victor Buza
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To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim

<John.Kim@ofina.on.ca>
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Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –
" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "
Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.
Let me know if you have any questions.
Regards,
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10
Good morning Victor,
That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.
Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.
We look forward to the Permitted Liens changes tomorrow.
Thanks,
Will

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Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
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Also, just wanted to let you know that based on our most recent reviews of the draft

documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.

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From:	Lisa Stein
To:	"Victor Buza"; William Tan; Anthony Martinello
Cc:	Sarah Harris
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Tuesday, October 10, 2017 2:10:29 PM

Thank you.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 2:07 PM
To: Lisa Stein ; William Tan ; Anthony Martinello
Cc: Sarah Harris
Subject: Re: Final Docs for FHP Credit Agreement and AA#10

Hi Lisa - hopefully we'll be in a position to provide an update on that tomorrow afternoon sometime.
Victor
Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Lisa Stein
Sent: Tuesday, October 10, 2017 12:09 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.

FHP credit facility agreement

1.Page 18. Facsimile: (416)860-8346

2. Page 20. Delivered Via Email: CASHP@ofina.on.ca

3. Page 22. Delivered Via Email: CASHP@ofina.on.ca

OFA IESO Amending Agreement No. 10

Page 6. Delivered Via Email: CASHP@ofina.on.ca

Page 8. Delivered Via Email: CASHP@ofina.on.ca
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
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4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.
Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein

Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

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Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From:	Lisa Stein
To:	"Victor Buza"; William Tan; Anthony Martinello
Cc:	Sarah Harris
Subject:	RE: Final Docs for FHP Credit Agreement and AA#10
Date:	Tuesday, October 10, 2017 2:10:29 PM

Thank you.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 2:07 PM
To: Lisa Stein ; William Tan ; Anthony Martinello
Cc: Sarah Harris
Subject: Re: Final Docs for FHP Credit Agreement and AA#10

Hi Lisa - hopefully we'll be in a position to provide an update on that tomorrow afternoon sometime.
Victor
Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Lisa Stein
Sent: Tuesday, October 10, 2017 12:09 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Victor,
We will send out a revised version of Amending Agreement #10, which has already been updated to include the Permitted Liens language, once we finalize the Credit Facility Agreement. Do you have any update on that agreement?
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 9:03 AM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Thanks Will. I'm assuming you will also be separately providing a revised Amending Agreement #10 with the relevant changes ?
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 06, 2017 11:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
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Thanks,
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To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –

" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "

Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.

Let me know if you have any questions.

Regards,

Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,

That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.

Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.

We look forward to the Permitted Liens changes tomorrow.

Thanks,

Will

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Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

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Also, just wanted to let you know that based on our most recent reviews of the draft

documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.

Feel free to call if you have any questions.

Regards,

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To: Anthony Martinello; Victor Buza
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The latest versions are:

OFA IESO Amending Agreement No. 10 – Execution Version v2.

FHP Credit Facility Agreement – Execution Version v3.

Thanks,

Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
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Cc: Sarah Harris; Lisa Stein

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Victor

416-969-6079

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Sent: September 08, 2017 12:45 PM
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Cc: William Tan; Lisa Stein
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- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

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From: Sarah Harris
To: Lisa Stein
Cc: William Tan
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Date: Friday, October 27, 2017 1:42:48 PM

Hi Lisa,
FYI – Will is at a goodbye lunch for Kelly Listoe who is retiring. He will forward you a draft e-mail for Anthony and Victor outline timelines for execution when he isback from lunch.
Thanks,
Sarah

From: Lisa Stein
Sent: Thursday, October 26, 2017 6:25 PM
To: 'Victor Buza'
Cc: Sarah Harris ; William Tan ; Anthony Martinello
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Victor,
We are still finalizing AA#10. We will send it to you either tomorrow or early next week.
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, October 26, 2017 5:45 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Lisa – just wanted to check whether the latest version of AA#10 was ever sent across for our review or whether you were still waiting on finalization of the FHP Credit Agreement ? I can't seem to find anything in my system.
I would like to review the additions to the Permitted Liens language in AA#10 asap even if the addition of the Intercept language is not final.
Thanks,
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 10, 2017 12:10 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
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OFA IESO Amending Agreement No. 10
Page 6. Delivered Via Email: CASHP@ofina.on.ca
Page 8. Delivered Via Email: CASHP@ofina.on.ca
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.
3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.

4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, September 08, 2017 3:32 PM

To: Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>

Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,

Victor

416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

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From:	John Kim
To:	Lisa Stein; Sarah Neville; Sarah Harris; William Tan
Cc:	Anna Strathy; Gavin He
Subject:	RE: Finalization of OFA-IESO Credit Agreements
Date:	Tuesday, October 24, 2017 5:03:14 PM

I'm indifferent but they will know it didn't come from me. I will just add a sentence to say – Let's aim to get this letter agreement done well ahead of the end of this week or something like that to soften things up a little.

From: Lisa Stein
Sent: Tuesday, October 24, 2017 5:02 PM
To: John Kim ; Sarah Neville ; Sarah Harris ; William Tan
Cc: Anna Strathy ; Gavin He
Subject: RE: Finalization of OFA-IESO Credit Agreements

Would you prefer for me to send it?

From: John Kim
Sent: Tuesday, October 24, 2017 5:00 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Finalization of OFA-IESO Credit Agreements

Ok, thanks….it is a bit scary sounding but I can live with that.

From: Lisa Stein
Sent: Tuesday, October 24, 2017 4:57 PM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Finalization of OFA-IESO Credit Agreements

Hi John,

I've made a couple of minor edits to your suggested response, below, based on Sarah's e-mail. Based on your earlier e-mail, I will update Amending Agreement #10 to include intercept language as well. Please copy me on your e-mail to Victor.

Thank you,

Lisa

From: John Kim
Sent: Tuesday, October 24, 2017 4:50 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Finalization of OFA-IESO Credit Agreements

Okay, I will act on that. I could let them know the following:

"With timely execution of the letter agreement by all parties, we will move to conclude the FHP credit facility agreement and amending agreement #10 by November 1st. Also, future amendments to these agreements would have to be considered when known at the time. The OFA will not make any assurances or representations to the IESO that such amendments would be made as a matter of

right."
Would you suggest any edits to this response?
John

From: Sarah Neville
Sent: Tuesday, October 24, 2017 4:46 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Finalization of OFA-IESO Credit Agreements

Hi John – I agree with Lisa.
We can agree to move forward to conclude the agreements with the intercept by November 1 (assuming all parties agree) and assuming we also get the letter.
Future amendments would have to be considered when known at the time with no assurance or representation made to IESO in the interim that that such amendments will be made as a matter of right. That is why we added the entire agreement clause.
The risk to this path as I see it is that if a future amendment requested by IESO requires a directive, and there is a real possibility that it may, given OPG's current position, this directive may be a challenge to obtain or not obtainable.
Sarah

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Lisa

Lisa N. Stein
Legal Counsel
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416-325-2320
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From: John Kim
Sent: Tuesday, October 24, 2017 4:28 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>

Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: FW: Finalization of OFA-IESO Credit Agreements

Fyi, and pls. let me know if any concern.

Victor's comments seem reasonable to me. They are indicating that the discussion between OPG Trust and IESO has not settled. I do think about any risks that could result from continuing to go down this path and not sure I can come up with any. I wouldn't mind a reiteration from Legal back to Victor on the due process and approvals required on any future amendments to the credit facility or facilities in place [when the discussion between OPG Trust and IESO conclude].

Please keep Gadi in the loop on this. I will keep Ron in the loop.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 4:20 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Finalization of OFA-IESO Credit Agreements

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As discussed, we need urgently to finalize these credit agreements in order to avoid a funding shortfall for IESO in November relating to implementing the FHP. There will not be sufficient room under the existing OFA credit agreement – with its commitment of $975 million – to fund the amounts required by IESO in this regard.

Given this urgent funding need, we propose that OFA and IESO finalize the current drafts of the credit agreements and have them executed by both parties no later than Wednesday, November 1 in order to ensure that funds will be available for drawing by IESO in November.

We recognize that the on-going discussions with the OPG Trust about a possible grant of security over IESO's assets in connection with implementing the Fair Hydro Plan may result in the need for further amendments to the OFA-IESO credit agreements. However, we propose to amend the agreements as needed once we actually know what, if anything, is required in this regard.

We would appreciate it is OFA could let us know if it agrees with the above approach by Thursday this week in order that we may each proceed to take the steps required to finalize and execute the agreements, and maintain the timely funding of IESO's needs.

Regards,

Victor

Victor Buza | Senior Counsel
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1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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To:	Lisa Stein; John Kim; Sarah Harris; William Tan
Cc:	Anna Strathy; Gavin He
Subject:	RE: Finalization of OFA-IESO Credit Agreements
Date:	Tuesday, October 24, 2017 4:46:07 PM

Hi John – I agree with Lisa.
We can agree to move forward to conclude the agreements with the intercept by November 1 (assuming all parties agree) and assuming we also get the letter.
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The risk to this path as I see it is that if a future amendment requested by IESO requires a directive, and there is a real possibility that it may, given OPG's current position, this directive may be a challenge to obtain or not obtainable.
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From:	John Kim
To:	Lisa Stein; Sarah Neville; Sarah Harris; William Tan
Cc:	Anna Strathy; Gavin He
Subject:	RE: Finalization of OFA-IESO Credit Agreements
Date:	Tuesday, October 24, 2017 4:35:18 PM

That is my understanding, yes, that the letter agreement will be done for the intercept.
Sure, on your view on the internal approval processes.

From: Lisa Stein
Sent: Tuesday, October 24, 2017 4:32 PM
To: John Kim ; Sarah Neville ; Sarah Harris ; William Tan
Cc: Anna Strathy ; Gavin He
Subject: RE: Finalization of OFA-IESO Credit Agreements

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Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From:	John Kim
To:	Lisa Stein; Sarah Neville; Sarah Harris; William Tan
Cc:	Anna Strathy; Gavin He
Subject:	RE: Finalization of OFA-IESO Credit Agreements
Date:	Tuesday, October 24, 2017 4:35:18 PM

That is my understanding, yes, that the letter agreement will be done for the intercept.
Sure, on your view on the internal approval processes.

From: Lisa Stein
Sent: Tuesday, October 24, 2017 4:32 PM
To: John Kim ; Sarah Neville ; Sarah Harris ; William Tan
Cc: Anna Strathy ; Gavin He
Subject: RE: Finalization of OFA-IESO Credit Agreements

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416-325-2320
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To: John Kim <John.Kim@ofina.on.ca>

Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>

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To:	John Kim; Sarah Neville; Sarah Harris; William Tan
Cc:	Anna Strathy; Gavin He
Subject:	RE: Finalization of OFA-IESO Credit Agreements
Date:	Tuesday, October 24, 2017 4:32:28 PM

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To:	John Kim; Sarah Neville; Sarah Harris; William Tan
Cc:	Anna Strathy; Gavin He
Subject:	RE: Finalization of OFA-IESO Credit Agreements
Date:	Tuesday, October 24, 2017 5:01:55 PM

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Sent: Tuesday, October 24, 2017 5:00 PM
To: Lisa Stein ; Sarah Neville ; Sarah Harris ; William Tan
Cc: Anna Strathy ; Gavin He
Subject: RE: Finalization of OFA-IESO Credit Agreements

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Sent: Tuesday, October 24, 2017 4:57 PM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
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To: Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
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Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Finalization of OFA-IESO Credit Agreements

Hi John,

There is no mention in Victor's e-mail about the letter agreement or the intercept provisions. Is he proposing that we finalize the agreements with the intercept provisions included? In this case, the letter agreement will need to be signed first and we will need to tweak the amending agreement. As we have previously discussed, we are not willing to make assurances regarding further future amendments, especially regarding the intercept requirement. This is the reason I had added in the "Entire Agreement" clause. In my view it is not appropriate to discuss our internal approval processes with the IESO.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320
****
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Subject: FW: Finalization of OFA-IESO Credit Agreements

Fyi, and pls. let me know if any concern.

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Please keep Gadi in the loop on this. I will keep Ron in the loop.

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Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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To:	Sarah Neville; Lisa Stein; Sarah Harris; William Tan
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Subject:	RE: Finalization of OFA-IESO Credit Agreements
Date:	Tuesday, October 24, 2017 4:49:38 PM

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From:	John Kim
To:	Lisa Stein; Sarah Neville; Sarah Harris; William Tan
Cc:	Anna Strathy; Gavin He
Subject:	RE: Finalization of OFA-IESO Credit Agreements
Date:	Tuesday, October 24, 2017 5:03:14 PM

I'm indifferent but they will know it didn't come from me. I will just add a sentence to say – Let's aim to get this letter agreement done well ahead of the end of this week or something like that to soften things up a little.

From: Lisa Stein
Sent: Tuesday, October 24, 2017 5:02 PM
To: John Kim ; Sarah Neville ; Sarah Harris ; William Tan
Cc: Anna Strathy ; Gavin He
Subject: RE: Finalization of OFA-IESO Credit Agreements

Would you prefer for me to send it?

From: John Kim
Sent: Tuesday, October 24, 2017 5:00 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Finalization of OFA-IESO Credit Agreements

Ok, thanks….it is a bit scary sounding but I can live with that.

From: Lisa Stein
Sent: Tuesday, October 24, 2017 4:57 PM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Finalization of OFA-IESO Credit Agreements

Hi John,

I've made a couple of minor edits to your suggested response, below, based on Sarah's e-mail. Based on your earlier e-mail, I will update Amending Agreement #10 to include intercept language as well. Please copy me on your e-mail to Victor.

Thank you,

Lisa

From: John Kim
Sent: Tuesday, October 24, 2017 4:50 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Finalization of OFA-IESO Credit Agreements

Okay, I will act on that. I could let them know the following:

"With timely execution of the letter agreement by all parties, we will move to conclude the FHP credit facility agreement and amending agreement #10 by November 1st. Also, future amendments to these agreements would have to be considered when known at the time. The OFA will not make any assurances or representations to the IESO that such amendments would be made as a matter of

right."
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From:	Sarah Harris
To:	William Tan
Cc:	Jean-Francois Beaupre; Opal Kandelas
Subject:	RE: IESO $975M Credit Facility (RPP Loan) - Notice for Oct 20/17 $825.6M
Date:	Wednesday, October 18, 2017 11:02:33 AM
Attachments:	image001.png

Thanks, Will.
Please forward to John Kim and Lisa as an FYI.
Thanks,
Sarah

From: William Tan
Sent: Wednesday, October 18, 2017 10:09 AM
To: Sarah Harris
Subject: FW: IESO $975M Credit Facility (RPP Loan) - Notice for Oct 20/17 $825.6M
fyi

From: Carlos Yep
Sent: Wednesday, October 18, 2017 10:08 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: FW: IESO $975M Credit Facility (RPP Loan) - Notice for Oct 20/17 $825.6M
FYI. Total = 836.288M (RPP $825.639M + RRPP $10.649)

(a) The date of the proposed election, being a Business Day is October 20, 2017
(b) The aggregate amount of the new loan is $825,639,102.00
i. previous principal amount: $604,963,600.47
ii. advance: $220,675,501.53
(c) The new Repayment Date applicable to such Advance is November 21, 2017

From: Olga Whiteley [mailto:Olga.Whiteley@ieso.ca]
Sent: Wednesday, October 18, 2017 9:51 AM
To: CASHP <CASHP@ofina.on.ca>; SETTLEMENT <SETTLEMENT@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; Serena Ly <Serena.Ly@ofina.on.ca>; James Devine <James.Devine@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: IESO $975M Credit Facility (RPP Loan) - Notice for Oct 20/17
See attached notice for October 20, 2017 regarding IESO's $975million facility for the RPP Loan.
Please send the funds to IESO RPP account:
Beneficiary: Independent Electricity System Operator - RPP
Bank: TD Bank
Bank ID: 0004
Transit Number: 10202
Account Number: 5509622
Thanks.

Olga Whiteley | Treasury and Pension Operations
Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913
Station A, Box 4474, Toronto, ON M5W 4E5
Web: www.ieso.ca[ieso.ca] | Email: olga.whiteley@ieso.ca

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(a) The date of the proposed election, being a Business Day is October 20, 2017

(b) The aggregate amount of the new loan is $825,639,102.00

i. previous principal amount: $604,963,600.47

ii. advance: $220,675,501.53

(c) The new Repayment Date applicable to such Advance is November 21, 2017

From:	Anthony Martinello
To:	William Tan
Cc:	John Kim; Tobias P. Whitfield (MOF); Lisa Stein; Victor Buza; Sarah Harris
Subject:	RE: IESO -> timeline of new facilities and draws
Date:	Thursday, November 02, 2017 9:51:41 AM

Upon further reflection see revised for Nov 17:

Nov 17

- $975MM facility: IESO to file Election Notice to rollover $10,649,081.37 + estimated new advance $2 million -> re: RRRP program
- $975MM facility: IESO to file Election Notice to NOT rollover $825,639,102.00 ~~+ estimate new advance $225 million~~ -> re: fair hydro (aka RPP) program
- $2B FHP facility: IESO to file Notice to borrow new $825,639,102.00 + estimate new advance $225 million -> re: fair hydro (aka RPP) program

Regards.

From: Anthony Martinello
Sent: November 01, 2017 10:24 PM
To: William Tan
Cc: John Kim; Tobias P. Whitfield (MOF); Lisa Stein; Victor Buza; 'Sarah Harris'
Subject: IESO -> timeline of new facilities and draws
Importance: High

As discussed with Will, below is a detailed timeline with actual amounts of upcoming IESO-OFA credit events for your review.

This week:

- MOE, OFA, IESO to sign Intercept Letter;
- Sign $2billion fair hydro credit facility;
- Sign amendment #10 to reduce existing $975million facility to $475million facility effective Nov 21;

Nov 17

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Nov 21

- OFA to deposit new advance monies into IESO bank account;
- IESO to pay interest amounts to OFA for both RRRP and fair hydro outstanding amounts (re: interest for Oct 20 to Nov 21 period)
- IESO to sign new grid note payable for $475million and send to OFA;
- OFA to cancel and send to IESO the $975million grid note payable;
- OFA to send via email updated grids reflecting:
  - $475MM facility, RRRP to show new increased liability amount;
  - $975MM facility, fair hydro -> to show zero balance owing ;
  - $2B facility, fair hydro -> to show new fair hydro (RPP) balance;

Regards.

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: November 01, 2017 2:07 PM

To: Victor Buza
Cc: Anthony Martinello; John Kim; Tobias P. Whitfield (MOF); Lisa Stein; William Tan
Subject: RE: FHP Revolving Credit Facility Agreement 2017-2022 Version v7 Revised by IESO Oct 31

Hello Victor,

Lisa is in a meeting until 3 p.m.., so I am forwarding our comments on the FHP agreement on her behalf.

We have made a minor change to section 3.2(3) - specifically, we deleted the language "and shall also be noted in the grid of the Grid Note" following "The amount of the Repayment Amount shall be detailed in the Borrowing Notice." This is because the Repayment Amount ($825M) is not the first entry on the FHP Grid; the first entry will be for the entire advance of approximately $1B ($825M + new funds). Anthony and Will just had a call to discuss the particulars of what the various grid notes under the existing facility and new facility will be on November 21st (including partial repayment of the outstanding $840M loan) and Anthony will be circulating an e-mail summarizing that conversation. The Effective Date of the amending agreement to reduce the existing facility will also be November 21st, not November 22nd.

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We received your most recent draft of the amending agreement. Lisa will be able to review once she is out of her meeting, after 3 p.m.

Thanks,

Sarah

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 5:49 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
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Anthony has not had a chance to review this so he may have comments, though I am hoping this is pretty closely in keeping with our discussions.

Regarding the Intercept Letter, could you please consider amending the opening to the third paragraph to read: "Prior to or concurrent with entering into a loan agreement with the IESO for the New Credit Facility…"

Comments on AA#10 to follow tomorrow morning.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079

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From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 30, 2017 4:19 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; John Kim
Subject: FHP Revolving Credit Facility Agreement 2017-2022 Version v7

Hi Victor,

Please find attached the latest black-lined version of the FHP Credit Facility Agreement. In this version, we have made some additional amendments to section 5.7 (Intercept) and section 7.8 (Entire Agreement). We have also added a new sub-section – 3.2(3) to address the IESO's repayment of a portion of the existing credit facility using the first advance. Minor amendments were also made to the Definitions section and the heading in section 4.1.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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Victor Buza | Senior Counsel
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Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

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Lisa N. Stein
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From: William Tan
To: Sarah Harris
Subject: RE: IESO Agreements
Date: Thursday, November 02, 2017 1:35:45 PM

Hi Sarah,
Will do.

From: Sarah Harris
Sent: Thursday, November 02, 2017 1:23 PM
To: William Tan
Subject: IESO Agreements

I think we should have Gadi sign everything since he is available tomorrow. Please arrange for this with Anna S (she is in my meeting right now.)
Sent from my iPhone

From: Opal Kandelas
To: Sarah Harris
Subject: RE: IESO Directive
Date: Friday, September 01, 2017 2:15:08 PM

Thanks for this. Given that IESO is aware and are not in any danger of causing themselves reputational damage with the rating agency – all is good. we can follow up with this next week.
Opal.

From: Sarah Harris
Sent: Friday, September 01, 2017 1:45 PM
To: Opal Kandelas
Subject: RE: IESO Directive

Hi Opal,
Please see answers below.
Sorry for the delay – I asked Will to arrange to obtain the electronic execution copy of the $2B FHP facility yesterday from Anthony for sign-off; Will only informed me this morning that OFA Legal preferred that we prepare it (which it now has been in conjunction with OFA Legal, and is now with IESO for final sign-off).
Sarah

From: Opal Kandelas
Sent: Friday, September 01, 2017 9:23 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Re: IESO Directive

Okay. Thanks for the update. Implications for IESO's relationship with Moody's? Will spoke with Anthony at IESO, and Anthony is okay with execution the earliest as possible next week. Anthony said he has been putting off a call to Moody's and can hold out a little longer.
Are the agreements ready in execution form for when the exemption is finally approved?
-

- New $2B facility agreement. All terms agreed are agreed. The attached clean version is with IESO for final sign-off. I am giving it fine tooth comb reading in the meantime, even though OFA legal signed off.
  Amending Agreement #10 for to reduce $975m to $475m – draft with IESO to confirm language on election notice. IESO requested a last minute change yesterday with regard to rolling interest, which was agreed to by Mike yesterday. Changes have been incorporated. I attach the last e-mail from yesterday which includes the draft sent to IESO yesterday afternoon. I suggest that you could read it, but that you don't share with Mike; it would confuse vs. help him, given that it is a tenth amending agreement which touches changes from previous amending agreements.

While we wait for this to occur I'd like to review both agreements. I will also suggest to Mike that a copy of both can be provided to him so that he can review in advance of signing.
Opal.

On Sep 1, 2017, at 9:11 AM, Sarah Harris <Sarah.Harris@ofina.on.ca> wrote:

> Hi Opal,
> The IESO directive was not signed yesterday. DMO/MO made the decision to pursue

our Minister’s signature early next week.
Sarah

From: Sarah Harris
To: Opal Kandelas
Subject: RE: IESO Directive
Date: Friday, September 01, 2017 1:44:41 PM
Attachments: Draft Amending Agreement No. 10.msg
FHP credit facility agreement clean final Sept 1.docx

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Please see answers below.
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From: William Tan []
To: 'Anthony Martinello' [Anthony.Martinello@ieso.ca]; Victor Buza [Victor.Buza@ieso.ca]
CC: Sarah Harris [Sarah.Harris@ofina.on.ca]; Sarah Neville [Sarah.Neville@ofina.on.ca]; Caroline Swerdlyk [Caroline.Swerdlyk@ofina.on.ca]; Lisa Stein [Lisa.Stein@ofina.on.ca]
Subject: Draft Amending Agreement No. 10
Date: Thursday, August 31, 2017 16:33:04
Attachment 1: image001.gif
Attachment 2: OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18 (Aug 31 marku.._ (002).docx

---

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.

Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.

And, please send over draft Amendment #10 for our review.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,

We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.

Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.

Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,

Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.
You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).

It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.
I assume there is an internal OFA grid document which provides each advance as segregate rows.

Victor and I are reviewing today's draft.

Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

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Ontario

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**~~"~~"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of~~ the IESO~~, and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; ~~and~~ (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

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"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

~~1.~~2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42[**Insert amount outstanding as of date of execution**].~~

Commented [A1]: Moved to the end to allow schedule references to remain consistent with Credit Agreement

~~3. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.~~

3. The following definitions are added to Section 1.1 of the Agreement

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest

for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A2]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the P~~p~~arties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, ~~_____~~Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED FORM OF GRID NOTE~~ FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

Commented [A3]: Changed "aggregate" to "principal". This is the only substantive change to this form.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $_____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

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Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

~~**[NTD – TO BE UPDATED AT EXECUTION]**~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016		31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016		30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016		33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016		30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017		30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017		32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017		28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017		34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017		29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:
Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: Sarah Harris
To: Opal Kandelas
Subject: RE: IESO Directive
Date: Friday, September 01, 2017 1:44:41 PM
Attachments: Draft Amending Agreement No. 10.msg
FHP credit facility agreement clean final Sept 1.docx

Hi Opal,
Please see answers below.
Sorry for the delay – I asked Will to arrange to obtain the electronic execution copy of the $2B FHP facility yesterday from Anthony for sign-off; Will only informed me this morning that OFA Legal preferred that we prepare it (which it now has been in conjunction with OFA Legal, and is now with IESO for final sign-off).
Sarah

From: Opal Kandelas
Sent: Friday, September 01, 2017 9:23 AM
To: Sarah Harris
Subject: Re: IESO Directive
Okay. Thanks for the update. Implications for IESO's relationship with Moody's? Will spoke with Anthony at IESO, and Anthony is okay with execution the earliest as possible next week. Anthony said he has been putting off a call to Moody's and can hold out a little longer.
Are the agreements ready in execution form for when the exemption is finally approved?
-
- New $2B facility agreement. All terms agreed are agreed. The attached clean version is with IESO for final sign-off. I am giving it fine tooth comb reading in the meantime, even though OFA legal signed off.
  Amending Agreement #10 for to reduce $975m to $475m – draft with IESO to confirm language on election notice. IESO requested a last minute change yesterday with regard to rolling interest, which was agreed to by Mike yesterday. Changes have been incorporated. I attach the last e-mail from yesterday which includes the draft sent to IESO yesterday afternoon. I suggest that you could read it, but that you don't share with Mike; it would confuse vs. help him, given that it is a tenth amending agreement which touches changes from previous amending agreements.

While we wait for this to occur I'd like to review both agreements. I will also suggest to Mike that a copy of both can be provided to him so that he can review in advance of signing.
Opal.

On Sep 1, 2017, at 9:11 AM, Sarah Harris <Sarah.Harris@ofina.on.ca> wrote:

> Hi Opal,
> The IESO directive was not signed yesterday. DMO/MO made the decision to pursue our Minister's signature early next week.
> Sarah

From: William Tan []
To: 'Anthony Martinello' [Anthony.Martinello@ieso.ca]; Victor Buza [Victor.Buza@ieso.ca]
CC: Sarah Harris [Sarah.Harris@ofina.on.ca]; Sarah Neville [Sarah.Neville@ofina.on.ca]; Caroline Swerdlyk [Caroline.Swerdlyk@ofina.on.ca]; Lisa Stein [Lisa.Stein@ofina.on.ca]
Subject: Draft Amending Agreement No. 10
Date: Thursday, August 31, 2017 16:33:04
Attachment 1: image001.gif
Attachment 2: OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18 (Aug 31 marku.._ (002).docx

---

Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.

Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.

And, please send over draft Amendment #10 for our review.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,

We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.

Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.

Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,

Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.
You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).

It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.
I assume there is an internal OFA grid document which provides each advance as segregate rows.

Victor and I are reviewing today's draft.

Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

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Ontario

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**~~"~~"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of~~ the IESO~~, and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; ~~and~~ (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

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"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

~~1.~~2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42[**Insert amount outstanding as of date of execution**].~~

Commented [A1]: Moved to the end to allow schedule references to remain consistent with Credit Agreement

~~3. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.~~

3. The following definitions are added to Section 1.1 of the Agreement

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest

for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A2]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the P~~p~~arties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, ~~_____~~Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED FORM OF GRID NOTE~~ FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

Commented [A3]: Changed "aggregate" to "principal". This is the only substantive change to this form.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $_____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

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Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

~~**[NTD – TO BE UPDATED AT EXECUTION]**~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016		31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016		30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016		33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016		30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017		30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017		32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017		28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017		34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017		29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:
Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: Sarah Harris
To: Opal Kandelas
Subject: RE: IESO Directive
Date: Friday, September 01, 2017 1:42:07 PM
Attachments: FHP credit facility agreement clean final Sept 1.docx
Draft Amending Agreement No. 10.msg

Hi Opal,
Please see answers below.
Sorry for the delay – I asked Will to arrange to obtain the electronic execution copy of the $2B FHP facility yesterday from Anthony for sign-off; Will only informed me this morning that OFA Legal preferred that we prepare it (which it now has been in conjunction with OFA Legal, and is now with IESO for final sign-off).
Sarah

From: Opal Kandelas
Sent: Friday, September 01, 2017 9:23 AM
To: Sarah Harris
Subject: Re: IESO Directive
Okay. Thanks for the update. Implications for IESO's relationship with Moody's? Will spoke with Anthony at IESO, and Anthony is okay with execution the earliest as possible next week. Anthony said he has been putting off a call to Moody's and can hold out a little longer.
Are the agreements ready in execution form for when the exemption is finally approved?
-

- New $2B facility agreement. All terms agreed are agreed. The attached clean version is with IESO for final sign-off. I am giving it fine tooth comb reading in the meantime, even though OFA legal signed off.
  Amending Agreement #10 for to reduce $975m to $475m – draft with IESO to confirm language on election notice. IESO requested a last minute change yesterday with regard to rolling interest, which was agreed to by Mike yesterday. Changes have been incorporated. I attach the last e-mail from yesterday which includes the draft sent to IESO yesterday afternoon. I suggest that you could read it, but that you don't share with Mike; it would confuse vs. help him, given that it is a tenth amending agreement which touches changes from previous amending agreements.

While we wait for this to occur I'd like to review both agreements. I will also suggest to Mike that a copy of both can be provided to him so that he can review in advance of signing.
Opal.

On Sep 1, 2017, at 9:11 AM, Sarah Harris <Sarah.Harris@ofina.on.ca> wrote:

> Hi Opal,
> The IESO directive was not signed yesterday. DMO/MO made the decision to pursue our Minister's signature early next week.
> Sarah

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:
Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: William Tan []
To: 'Anthony Martinello' [Anthony.Martinello@ieso.ca]; Victor Buza [Victor.Buza@ieso.ca]
CC: Sarah Harris [Sarah.Harris@ofina.on.ca]; Sarah Neville [Sarah.Neville@ofina.on.ca]; Caroline Swerdlyk [Caroline.Swerdlyk@ofina.on.ca]; Lisa Stein [Lisa.Stein@ofina.on.ca]
Subject: Draft Amending Agreement No. 10
Date: Thursday, August 31, 2017 16:33:04
Attachment 1: image001.gif
Attachment 2: OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18 (Aug 31 marku.._ (002).docx

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Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.

Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.

And, please send over draft Amendment #10 for our review.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,

We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.

Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.

Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,

Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.
You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).

It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.
I assume there is an internal OFA grid document which provides each advance as segregate rows.

Victor and I are reviewing today's draft.

Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

Ontario

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**~~"~~"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of~~ the IESO~~, and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; ~~and~~ (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

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"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

~~1.~~2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42[**Insert amount outstanding as of date of execution**].~~

Commented [A1]: Moved to the end to allow schedule references to remain consistent with Credit Agreement

~~3. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.~~

3. The following definitions are added to Section 1.1 of the Agreement

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest

for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A2]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the P~~p~~arties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, ~~_____~~Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED FORM OF GRID NOTE~~ FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

Commented [A3]: Changed "aggregate" to "principal". This is the only substantive change to this form.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $_____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

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Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

~~**[NTD – TO BE UPDATED AT EXECUTION]**~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016		31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016		30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016		33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016		30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017		30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017		32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017		28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017		34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017		29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

From: Sarah Harris
To: Opal Kandelas
Subject: RE: IESO Directive
Date: Friday, September 01, 2017 1:42:07 PM
Attachments: FHP credit facility agreement clean final Sept 1.docx
Draft Amending Agreement No. 10.msg

Hi Opal,
Please see answers below.
Sorry for the delay – I asked Will to arrange to obtain the electronic execution copy of the $2B FHP facility yesterday from Anthony for sign-off; Will only informed me this morning that OFA Legal preferred that we prepare it (which it now has been in conjunction with OFA Legal, and is now with IESO for final sign-off).
Sarah

From: Opal Kandelas
Sent: Friday, September 01, 2017 9:23 AM
To: Sarah Harris
Subject: Re: IESO Directive
Okay. Thanks for the update. Implications for IESO's relationship with Moody's? Will spoke with Anthony at IESO, and Anthony is okay with execution the earliest as possible next week. Anthony said he has been putting off a call to Moody's and can hold out a little longer.
Are the agreements ready in execution form for when the exemption is finally approved?
-

- New $2B facility agreement. All terms agreed are agreed. The attached clean version is with IESO for final sign-off. I am giving it fine tooth comb reading in the meantime, even though OFA legal signed off.
  Amending Agreement #10 for to reduce $975m to $475m – draft with IESO to confirm language on election notice. IESO requested a last minute change yesterday with regard to rolling interest, which was agreed to by Mike yesterday. Changes have been incorporated. I attach the last e-mail from yesterday which includes the draft sent to IESO yesterday afternoon. I suggest that you could read it, but that you don't share with Mike; it would confuse vs. help him, given that it is a tenth amending agreement which touches changes from previous amending agreements.

While we wait for this to occur I'd like to review both agreements. I will also suggest to Mike that a copy of both can be provided to him so that he can review in advance of signing.
Opal.

On Sep 1, 2017, at 9:11 AM, Sarah Harris <Sarah.Harris@ofina.on.ca> wrote:

> Hi Opal,
> The IESO directive was not signed yesterday. DMO/MO made the decision to pursue our Minister's signature early next week.
> Sarah

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* (the "IESO")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "OFA" and together with the IESO, the "Parties")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any lien, whether arising from the action or inaction of IESO that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111
provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise

of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY	INDEPENDENT ELECTRICITY SYSTEM OPERATOR
Per: _____	Per: _____
Name: Michael D. Manning Title: Executive Director & Chief Investment Officer, Capital Markets Division	Name: Kimberly Marshall Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer
I have authority to bind the corporation.	I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

By: _____

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:
Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: William Tan []
To: 'Anthony Martinello' [Anthony.Martinello@ieso.ca]; Victor Buza [Victor.Buza@ieso.ca]
CC: Sarah Harris [Sarah.Harris@ofina.on.ca]; Sarah Neville [Sarah.Neville@ofina.on.ca]; Caroline Swerdlyk [Caroline.Swerdlyk@ofina.on.ca]; Lisa Stein [Lisa.Stein@ofina.on.ca]
Subject: Draft Amending Agreement No. 10
Date: Thursday, August 31, 2017 16:33:04
Attachment 1: image001.gif
Attachment 2: OFA IESO Amending Agreement No 10 COMPARE OFA Draft Aug 18 (Aug 31 marku.._ (002).docx

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Hello Anthony and Victor,

The Election for to roll-over a portion or all of the interest triggered a number of changes which includes updates to definitions, Section 3.2, 3.3, Schedules 1, 2 and 3.

Section 3.3(4) was added from the FHP Agreement, which addresses calculation of interest on a Continued Advance

> (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

Reason for the scope of changes that have been added (this draft updates all of the Schedules to the Agreement and also aligns the language in the related sections of the Agreement).

Please review and comment.

Thanks,

Will

From: William Tan
Sent: Thursday, August 31, 2017 2:43 PM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hello gentleman,

I have been informed by a colleague that we are instructed by the deputy minister for us to pursue our minister to sign the directive for early next week.

As per Anthony's request, we making changes to the Amending Agreement No. 10 to allow IESO:

- Elect to continue all or a portion of the principal and interest .
- The advancement period of 28 days up to 95 days will remain the same.
- Section 3.3 (2) new advances will change from 1 business day to two business days prior notice because advancements under the Borrowing Notice allow for two business days' notice.

Sorry for the inconvenience.

Will

From: William Tan
Sent: Thursday, August 31, 2017 10:19 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Subject: RE: IESO Grid Notes

Hi Anthony,

Do you mind giving me a call when you have a moment?

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 31, 2017 7:41 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>
Subject: RE: IESO Grid Notes

Yes.

And, please send over draft Amendment #10 for our review.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 30, 2017 6:55 PM
To: Anthony Martinello
Cc: Victor Buza; Sarah Harris; Sarah Neville; Caroline Swerdlyk
Subject: RE: IESO Grid Notes

Hello Anthony,

We have reviewed the grid note you provided and your observation is correct that you are provided with one line item with the consolidated total amount compared to the distinct separate the advances we originally understood.

Yes, we have access to a version of the grid note that separates the advances that is not provided to you, which caused the confusion.

Does the revised Section 3.3(2) and Schedule 2 (Form of Election Notice) still functional to you?

Thanks,

Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 30, 2017 3:42 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Caroline Swerdlyk <Caroline.Swerdlyk@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: FW: IESO Grid Notes

Hi,

Just for clarity. Below is an example of the OFA's regular email and grid notes (see attached) that the IESO receives each month directly from the OFA.
You will note that the grid notes shows one row and its respective aggregated amount for each month's advance (previous + new).

It was noted on yesterday's call that each respective advance has its own row and # of days updated in the grid note – in practice the IESO does not see this.
I assume there is an internal OFA grid document which provides each advance as segregate rows.

Victor and I are reviewing today's draft.

Regards.

From: LeRoy Ahyee [mailto:LeRoy.Ahyee@ofina.on.ca]
Sent: August 21, 2017 4:21 PM
To: Hamlet Alexanian
Cc: Risa Thau
Subject: RE: IESO Grid Notes

Here are the Grid Notes, Hamlet. Please let me know whether you have any questions.

Regards,

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority

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Ontario

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of ~~July~~September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**~~"~~"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS ~~upon the request of~~ the IESO~~, and~~ the Parties~~the OFA~~ have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; ~~and~~ (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by ~~each of the OFA and the IESO~~the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the P~~p~~arties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

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"**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

~~1.~~2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

~~2. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42[**Insert amount outstanding as of date of execution**].~~

Commented [A1]: Moved to the end to allow schedule references to remain consistent with Credit Agreement

~~3. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.~~

3. The following definitions are added to Section 1.1 of the Agreement

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:~~:~~

"The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The IESO authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest

for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form of the grid note attached hereto as Schedule 3 and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new grid promissory note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A2]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the P~~p~~arties.

[*signature page follows*]

IN WITNESS WHEREOF the Pparties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, ~~_____~~Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

~~EXECUTED FORM OF GRID NOTE~~ FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

Commented [A3]: Changed "aggregate" to "principal". This is the only substantive change to this form.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

Election Notice

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $_____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Borrowing Notice

The IESO gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:_____

~~Kimberly Marshall, Vice President, Corporate Services; Chief Financial Officer; Treasurer~~

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Ontario Financing Authority
Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	475,000,000.00
Project:	Regulated Price Plan Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Project:	Rural or Remote Electricity Rate Protection Variance
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Total Principal Advanced	

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

~~**[NTD – TO BE UPDATED AT EXECUTION]**~~

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Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	**Regulated Price Plan Variance**
Schedule of loan trans	**21-Jul-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
19-Aug-2016	$94,951,024.00	0.8100%	19-Sep-2016	31	$65,321.10	$49,331,879.98	$49,266,558.88	$65,321.10	19-Sep-2016		31
19-Sep-2016	$45,684,465.12	0.8100%	19-Oct-2016	30	$30,414.59	$30,283,150.31	$30,252,735.72	$30,414.59	19-Oct-2016		30
19-Oct-2016	$15,431,729.40	0.7900%	21-Nov-2016	33	$11,022.06	$11,022.06	$0.00	$11,022.06	21-Nov-2016		33
21-Nov-2016	$80,224,794.60	0.7800%	21-Dec-2016	30	$51,431.79	$51,431.79	$0.00	$51,431.79	21-Dec-2016		30
21-Dec-2016	$150,501,105.00	0.8300%	20-Jan-2017	30	$102,670.62	$34,297,653.69	$34,194,983.07	$102,670.62	20-Jan-2017		30
20-Jan-2017	$116,306,121.93	0.8100%	21-Feb-2017	32	$82,593.28	$6,005,205.45	$5,922,612.17	$82,593.28	21-Feb-2017		32
21-Feb-2017	$110,383,509.76	0.8200%	21-Mar-2017	28	$69,435.76	$29,244,186.90	$29,174,751.14	$69,435.76	21-Mar-2017		28
21-Mar-2017	$81,208,758.62	0.8100%	24-Apr-2017	34	$61,273.68	$66,756,693.44	$66,695,419.76	$61,273.68	24-Apr-2017		34
24-Apr-2017	$14,513,338.86	0.8000%	23-May-2017	29	$9,224.92	$14,522,563.78	$14,513,338.86	$9,224.92	23-May-2017		29
20-Jun-2017	$109,986,030.30	0.7900%	21-Jul-2017	31	73,796.11	$0.00	$0.00	$0.00	21-Jul-2017		31

Project:	**Rural or Remote Electricity Rate Protection Variance**
Schedule of loan trans	**20-Jun-2017**
Loan Advanced to:	**20-Jun-2017**

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days	
18-May-2017	$1,193,999.75	0.7800%	20-Jun-2017	33	$842.02	$842.02	$0.00	$842.02	20-Jun-2017		33
20-Jun-2017	$4,397,101.10	0.7900%	21-Jul-2017	31	2,950.27	$0.00	$0.00	$0.00	21-Jul-2017		31

Total Principal Advanced	**$114,383,131.40**

From: Sarah Harris
To: William Tan
Subject: RE: IESO Directive
Date: Friday, September 01, 2017 10:22:42 AM

Thanks, Will. That is interesting. Usually we have the preference is to have the counterparty circulate the electronic execution version for all to sign-off, and then have the counterparty execute first, if possible. If that is Caroline's preference that we prepare, we can work with that. It would have been preferable if you had advised me of this yesterday. If the directive is signed on Tuesday, we want to be ready to go.
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Sent: Friday, September 01, 2017 9:23 AM
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From: Opal Kandelas
To: Sarah Harris
Subject: RE: IESO Directive
Date: Friday, September 01, 2017 2:15:08 PM

Thanks for this. Given that IESO is aware and are not in any danger of causing themselves reputational damage with the rating agency – all is good. we can follow up with this next week.
Opal.

From: Sarah Harris
Sent: Friday, September 01, 2017 1:45 PM
To: Opal Kandelas
Subject: RE: IESO Directive

Hi Opal,
Please see answers below.
Sorry for the delay – I asked Will to arrange to obtain the electronic execution copy of the $2B FHP facility yesterday from Anthony for sign-off; Will only informed me this morning that OFA Legal preferred that we prepare it (which it now has been in conjunction with OFA Legal, and is now with IESO for final sign-off).
Sarah

From: Opal Kandelas
Sent: Friday, September 01, 2017 9:23 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Re: IESO Directive

Okay. Thanks for the update. Implications for IESO's relationship with Moody's? Will spoke with Anthony at IESO, and Anthony is okay with execution the earliest as possible next week. Anthony said he has been putting off a call to Moody's and can hold out a little longer.
Are the agreements ready in execution form for when the exemption is finally approved?
-

- New $2B facility agreement. All terms agreed are agreed. The attached clean version is with IESO for final sign-off. I am giving it fine tooth comb reading in the meantime, even though OFA legal signed off.
  Amending Agreement #10 for to reduce $975m to $475m – draft with IESO to confirm language on election notice. IESO requested a last minute change yesterday with regard to rolling interest, which was agreed to by Mike yesterday. Changes have been incorporated. I attach the last e-mail from yesterday which includes the draft sent to IESO yesterday afternoon. I suggest that you could read it, but that you don't share with Mike; it would confuse vs. help him, given that it is a tenth amending agreement which touches changes from previous amending agreements.

While we wait for this to occur I'd like to review both agreements. I will also suggest to Mike that a copy of both can be provided to him so that he can review in advance of signing.
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From:	Sarah Harris
To:	LeRoy Ahyee
Subject:	RE: IESO Grid Note (Redux)
Date:	Monday, September 11, 2017 12:16:14 PM

Thank you!

From: LeRoy Ahyee
Sent: Monday, September 11, 2017 12:15 PM
To: Sarah Harris
Subject: IESO Grid Note (Redux)

FYI, as discussed.

LeRoy Ahyee
Settlements Officer | Ontario Financing Authority
Ph: 416-325-8076 | Cell: 416-473-1081
LeRoy.Ahyee@ofina.on.ca

From:	LeRoy Ahyee
To:	Sarah Harris
Subject:	RE: IESO Grid Note (Redux)
Date:	Monday, September 11, 2017 12:16:42 PM

You're welcome.

LeRoy Ahyee

From: Sarah Harris
Sent: Monday, September 11, 2017 12:16 PM
To: LeRoy Ahyee
Subject: RE: IESO Grid Note (Redux)

Thank you!

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From:	Sarah Harris
To:	William Tan
Subject:	RE: IESO Status of Agreements
Date:	Tuesday, October 24, 2017 1:14:52 PM

Thanks, Will.
Form of signing authority is also good?
Sarah

From: William Tan
Sent: Tuesday, October 24, 2017 11:22 AM
To: Sarah Harris
Subject: FW: IESO Status of Agreements

Hi Sarah,

1. FHP Revolving Credit Facility Agreement 2017-202 Execution Version 5 – Latest version. Lisa recommended that she send it to Victor herself. I will check with Lisa that this has been sent.
2. OFA IESO Amending Agreement No. 10 Execution Version 2 – yesterday, I have raise a couple issues in comparison to the FHP with Lisa. She is currently weighing if changes are necessary to the Amending Agreement. I will follow-up with Lisa the status of this.
3. Grid promissory note for the Amending Agreement 10 – Risa is WFH today. I will notify her the current status of the intercept letter so she may have a grid promissory note balance ready.

Thanks,
Will

From: Sarah Harris
Sent: Tuesday, October 24, 2017 10:18 AM
To: William Tan <William.Tan@ofina.on.ca>
Subject: IESO Status of Agreements

Hi Will,
Looks like we may be making some progress on IESO intercept letter
How close are we to execution versions of the FHP draft and amending agreement draft, and is the Prom Note in good shape? Are all signing authorities also in good shape?
Thanks,
Sarah

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Thanks,
Sarah

From: Anthony Martinello
To: William Tan
Cc: Lisa Stein; Sarah Harris; Victor Buza
Subject: RE: IESO / OEFC - $120MM and $160MM
Date: Sunday, November 05, 2017 11:03:05 AM

Will – unless any concerns, will appreciate if you please begin to draft the two OEFC amendments this week – given that the IESO is targeting to sign the OPG / IESO fair hydro agreement by this month's end,….we need to have the two OEFC's done before this.
Regards.

From: Anthony Martinello
Sent: November 01, 2017 12:56 PM
To: 'William Tan'
Cc: 'Lisa Stein'; 'Sarah Harris'; 'John Kim'; Victor Buza
Subject: IESO / OEFC - $120MM and $160MM

Once we have completed the 2 OFA facilities and the intercept letter – we then have to turn to the 2 outstanding IESO-OEFC credit facilities to contemplate any further amendments too.
Just ensuring that these 2 OEFC facilities are not missed.
Regards.

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

From:	John Kim
To:	Sarah Neville; Sarah Harris; Lisa Stein
Cc:	Anna Strathy
Subject:	RE: IESO and intercept
Date:	Wednesday, September 20, 2017 9:42:06 AM

Hi Sarah,
No feedback from IESO. I am going to send IESO a quick email this morning. The note was drafted on that basis.
John

From: Sarah Neville
Sent: Wednesday, September 20, 2017 9:40 AM
To: John Kim ; Sarah Harris ; Lisa Stein
Cc: Anna Strathy
Subject: RE: IESO and intercept
Hi John – Thanks for this. The note says the OFA has also reached out to IESO. Was there any feedback from them?
Sarah

From: John Kim
Sent: Wednesday, September 20, 2017 8:09 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO and intercept
Hi,
Here's the note Ron shared with Steen Hume at Energy.
Thanks,
John

From: Sarah Harris
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I'm also available during this timeframe.
Thanks,
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Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept
OK – I am free any time before 3pm.
Thanks

Sarah

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To: Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept

Thanks, I would like us to decide on a path forward before engaging or informing IESO. Let's aim to meet this afternoon.

From: Sarah Neville
Sent: Tuesday, September 19, 2017 11:50 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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Hi John –

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Given that there is currently no appropriation authority for the IESO, we would propose, in lieu of an MOU to have a simple tripartite letter (OFA, IESO, and Energy) wherein all parties agree that in the event funds may in the future be appropriated, IESO and Energy agree to the application of the intercept of such funds (in accordance with the OFA's Policy).

There will need to be some high level discussions at IESO and Energy to make sure that there is the buy-in for this approach. How would you suggest the OFA move this forward?

Please let me know if you have questions or would like to discuss further.

Thanks very much,

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Sarah Neville
Director, Legal Branch
Ontario Financing Authority
1 Dundas Street West, Suite 1200
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Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

From:	Sarah Neville
To:	John Kim; Sarah Harris; Lisa Stein
Cc:	Anna Strathy
Subject:	RE: IESO and intercept
Date:	Wednesday, September 20, 2017 9:39:57 AM

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Email: Sarah.Neville@ofina.on.ca

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Subject:	RE: IESO and intercept
Date:	Wednesday, September 20, 2017 8:09:09 AM
Attachments:	IESO-OFA - FHP LoC - Intercept_Sep19-2017.docx

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BACKGROUND NOTE
OFA -- IESO CREDIT FACILITY & THE INTERCEPT PROVISION REQUIRED UNDER THE OFA'S LENDING POLICY

The IESO had requested a new revolving credit facility in an amount of up to $2 billion from the OFA to support its role in the implementation and participation under the *Ontario Fair Hydro Plan Act, 2017* ("OFHP Act").

On June 29, 2017, the OFA received a directive from the Minister to accommodate the IESO's request and provide a revolving credit facility to the IESO in an amount of up to $2 billion (the "OFHP Credit Facility").

Pursuant to the OFA Lending Policy, the OFA is required to include an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis, unless otherwise directed by the Minister of Finance [or Treasury Board or Cabinet].

In accordance with section 23 of the *Capital Investment Plan Act, 1993* ("CIPA"), the intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body, amounts equal to any amounts the public body fails to pay to the OFA under a loan agreement.

Per the requirements of the OFA's Lending Policy, the OFA has reached out to the Ministry of Energy and IESO to fulfill the requirement to include an intercept provision in credit facility agreements with the IESO.

- The OFA Lending Policy, as approved by the OFA Board, provides the following requirement for unsecured loans to public bodies under CIPA:

  > Except where otherwise directed by the Minister of Finance, Treasury Board or Cabinet, and prior to the OFA making any loan to a public body, the OFA will [e]nsure that it has an appropriate intercept in place for the loan.

- The OFA Lending Policy also includes the following intercept provision requirement:

  > The public body and its responsible ministry are to agree that the Minister of Finance is entitled to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts that the public body fails to pay to the OFA on account of indebtedness under its loan agreement with the OFA.

- The new FHP credit facility, with the required intercept clause, will enable the IESO to fulfil its commitments under the OFHP Act as the IESO will have to finance for a short or medium term period the funding shortfalls in the implementation of the OFHP Act, as well as the continued implementation of the market support function for the IESO through the $475 million facility (to be amended from the current $975 million facility) which will also require the intercept clause to be added.

- Including an intercept provision in the credit facility agreements with the IESO is expected to have no practical impact as the IESO receives no appropriations from the Province of Ontario [Energy to confirm], but would bring the lending facilities onside with the requirements of the OFA Lending Policy and be consistent with CIPA.

Electricity Finance Branch / Corporate and Electricity Finance Division / Ontario Financing Authority
September 19, 2017

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Sent: Tuesday, September 19, 2017 12:03 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept
OK – I am free any time before 3pm.
Thanks
Sarah

From: John Kim
Sent: Tuesday, September 19, 2017 12:00 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept
Thanks, I would like us to decide on a path forward before engaging or informing IESO. Let's aim to meet this afternoon.

From: Sarah Neville
Sent: Tuesday, September 19, 2017 11:50 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: IESO and intercept
Hi John –
I met with Gadi this morning after we spoke. He confirmed that the Directive will not be forthcoming from the Minister. We determined, as you had flagged for us, that the only approach is to reinsert

the intercept provision back into the agreement because this complies with the OFA Lending Policy. The other documentation requirements of the policy will also need to be met with respect to the IESO and Ministry of Energy agreeing to the concept of the intercept.

Given that there is currently no appropriation authority for the IESO, we would propose, in lieu of an MOU to have a simple tripartite letter (OFA, IESO, and Energy) wherein all parties agree that in the event funds may in the future be appropriated, IESO and Energy agree to the application of the intercept of such funds (in accordance with the OFA's Policy).

There will need to be some high level discussions at IESO and Energy to make sure that there is the buy-in for this approach. How would you suggest the OFA move this forward?

Please let me know if you have questions or would like to discuss further.

Thanks very much,

Sarah

Sarah Neville
Director, Legal Branch
Ontario Financing Authority
1 Dundas Street West, Suite 1200
Toronto ON M7A 1Y7
Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

BACKGROUND NOTE
OFA -- IESO CREDIT FACILITY & THE INTERCEPT PROVISION REQUIRED UNDER THE OFA'S LENDING POLICY

The IESO had requested a new revolving credit facility in an amount of up to $2 billion from the OFA to support its role in the implementation and participation under the *Ontario Fair Hydro Plan Act, 2017* ("OFHP Act").

On June 29, 2017, the OFA received a directive from the Minister to accommodate the IESO's request and provide a revolving credit facility to the IESO in an amount of up to $2 billion (the "OFHP Credit Facility").

Pursuant to the OFA Lending Policy, the OFA is required to include an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis, unless otherwise directed by the Minister of Finance [or Treasury Board or Cabinet].

In accordance with section 23 of the *Capital Investment Plan Act, 1993* ("CIPA"), the intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body, amounts equal to any amounts the public body fails to pay to the OFA under a loan agreement.

Per the requirements of the OFA's Lending Policy, the OFA has reached out to the Ministry of Energy and IESO to fulfill the requirement to include an intercept provision in credit facility agreements with the IESO.

- The OFA Lending Policy, as approved by the OFA Board, provides the following requirement for unsecured loans to public bodies under CIPA:

  > Except where otherwise directed by the Minister of Finance, Treasury Board or Cabinet, and prior to the OFA making any loan to a public body, the OFA will [e]nsure that it has an appropriate intercept in place for the loan.

- The OFA Lending Policy also includes the following intercept provision requirement:

  > The public body and its responsible ministry are to agree that the Minister of Finance is entitled to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts that the public body fails to pay to the OFA on account of indebtedness under its loan agreement with the OFA.

- The new FHP credit facility, with the required intercept clause, will enable the IESO to fulfil its commitments under the OFHP Act as the IESO will have to finance for a short or medium term period the funding shortfalls in the implementation of the OFHP Act, as well as the continued implementation of the market support function for the IESO through the $475 million facility (to be amended from the current $975 million facility) which will also require the intercept clause to be added.

- Including an intercept provision in the credit facility agreements with the IESO is expected to have no practical impact as the IESO receives no appropriations from the Province of Ontario [Energy to confirm], but would bring the lending facilities onside with the requirements of the OFA Lending Policy and be consistent with CIPA.

Electricity Finance Branch / Corporate and Electricity Finance Division / Ontario Financing Authority
September 19, 2017

From:	Sarah Harris
To:	Sarah Neville; John Kim
Cc:	Anna Strathy; Lisa Stein
Subject:	RE: IESO and intercept
Date:	Tuesday, September 19, 2017 12:15:38 PM

Hi Sarah N. and John,
I'm also available during this timeframe.
Thanks,
Sarah H.

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Please let me know if you have questions or would like to discuss further.

Thanks very much,
Sarah
Sarah Neville
Director, Legal Branch
Ontario Financing Authority
1 Dundas Street West, Suite 1200
Toronto ON M7A 1Y7
Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

From:	Sarah Neville
To:	John Kim
Cc:	Anna Strathy; Sarah Harris; Lisa Stein
Subject:	RE: IESO and intercept
Date:	Tuesday, September 19, 2017 12:02:47 PM

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Ontario Financing Authority
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Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

From:	John Kim
To:	Sarah Neville
Cc:	Anna Strathy; Sarah Harris; Lisa Stein
Subject:	RE: IESO and intercept
Date:	Tuesday, September 19, 2017 11:59:42 AM

Thanks, I would like us to decide on a path forward before engaging or informing IESO. Let's aim to meet this afternoon.

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Sent: Tuesday, September 19, 2017 11:50 AM
To: John Kim
Cc: Anna Strathy ; Sarah Harris ; Lisa Stein
Subject: IESO and intercept

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Director, Legal Branch
Ontario Financing Authority
1 Dundas Street West, Suite 1200
Toronto ON M7A 1Y7
Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

From:	John Kim
To:	Sarah Neville; Sarah Harris; Lisa Stein
Cc:	Anna Strathy
Subject:	RE: IESO and intercept
Date:	Wednesday, September 20, 2017 10:52:52 AM

FYI, just connected with IESO staff and gave them the heads up.
For Anna….you may want to flag to Gadi that IESO may bring this up at tomorrow's meeting.

From: John Kim
Sent: Wednesday, September 20, 2017 9:42 AM
To: Sarah Neville ; Sarah Harris ; Lisa Stein
Cc: Anna Strathy
Subject: RE: IESO and intercept

Hi Sarah,
No feedback from IESO. I am going to send IESO a quick email this morning. The note was drafted on that basis.
John

From: Sarah Neville
Sent: Wednesday, September 20, 2017 9:40 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO and intercept

Hi John – Thanks for this. The note says the OFA has also reached out to IESO. Was there any feedback from them?
Sarah

From: John Kim
Sent: Wednesday, September 20, 2017 8:09 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO and intercept

Hi,
Here's the note Ron shared with Steen Hume at Energy.
Thanks,
John

From: Sarah Harris
Sent: Tuesday, September 19, 2017 12:16 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept

Hi Sarah N. and John,
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Thanks,
Sarah H.

From: Sarah Neville
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Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO and intercept

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Sarah

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Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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Please let me know if you have questions or would like to discuss further.
Thanks very much,
Sarah

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Director, Legal Branch
Ontario Financing Authority
1 Dundas Street West, Suite 1200
Toronto ON M7A 1Y7
Phone: (416) 325-8754
Email: Sarah.Neville@ofina.on.ca

From:	John Kim
To:	Lisa Stein
Cc:	Sarah Neville; Sarah Harris; William Tan; Gavin He
Subject:	RE: IESO credit facility - Intercept Letter
Date:	Tuesday, October 24, 2017 2:14:52 PM

Hi Lisa,
Could you do the edit to IESO's addition and send back so there is no confusion?
I'm happy to go back to Ron on his points as well.
John

From: Lisa Stein
Sent: Tuesday, October 24, 2017 2:13 PM
To: John Kim
Cc: Sarah Neville ; Sarah Harris ; William Tan ; Gavin He
Subject: RE: IESO credit facility - Intercept Letter

Hi John,
I've discussed with Sarah N., and we think Ron's edits to the third paragraph of the letter agreement should be deleted and reverted back to the original language. The purpose of that paragraph is for all three parties to acknowledge the current situation, and to change the language for the OFA to "acknowledge" and the other parties to "confirm" the same details will create confusion and possibly further delay this matter.
Also, I recommend deleting the following language added by the IESO – "or through any other agencies, bodies or other means" in the last sentence of the second last paragraph.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320
****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

From: John Kim
Sent: Tuesday, October 24, 2017 10:15 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: FW: IESO credit facility - Intercept Letter

Hi Lisa,
Pls. take a look. Ron had some edits which we reflected to IESO's version.
Thanks,
John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 9:54 AM
To: John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>

Subject: RE: IESO credit facility - Intercept Letter

Hi John – per our discussion yesterday, attached is a markup of the draft Intercept Letter, which now shows IESO's changes (as well as those previously provided by MOE).

Let me know if you have any questions.

Regards,

Victor

416-969-6079

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,

Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, September 20, 2017 9:58 AM

To: John Kim <John.Kim@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>

Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,

Do you have time for a quick call this morning?

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, August 23, 2017 8:42 AM

To: John Kim <John.Kim@ofina.on.ca>

Subject: RE: IESO credit facility

Moody's (Gavin MacFarlane) has verbally raised their concern to me that the new $2B facility should be in place this month – main concern is that the IESO may/is rapidly burning through the $975M capacity at about $200M-$250M/month. Also, the first sale to Financing Entity is not expected until October(ish).

I am currently at about $405M utilized.

Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.

Appreciate your efforts to co-ordinate a timely approval.

Call me to discuss if needed.

Regards.

Anthony Martinello
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,

I am currently working on your request for the two facilities with the OFA.

I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.

I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From: Lisa Stein
To: John Kim
Cc: Sarah Neville; Sarah Harris; William Tan; Gavin He
Subject: RE: IESO credit facility - Intercept Letter
Date: Tuesday, October 24, 2017 2:12:52 PM

Hi John,
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e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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416-325-2320
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****

From: John Kim
Sent: Tuesday, October 24, 2017 10:15 AM
To: Lisa Stein
Cc: Sarah Neville ; Sarah Harris ; William Tan ; Gavin He
Subject: FW: IESO credit facility - Intercept Letter

Hi Lisa,
Pls. take a look. Ron had some edits which we reflected to IESO's version.
Thanks,
John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 9:54 AM
To: John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility - Intercept Letter

Hi John – per our discussion yesterday, attached is a markup of the draft Intercept Letter, which now shows IESO's changes (as well as those previously provided by MOE).
Let me know if you have any questions.
Regards,
Victor
416-969-6079

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville

Subject: RE: IESO credit facility

Hi Anthony,

Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.

Thanks,

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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, September 20, 2017 9:58 AM

To: John Kim <John.Kim@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>

Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,

Do you have time for a quick call this morning?

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, August 23, 2017 8:42 AM

To: John Kim <John.Kim@ofina.on.ca>

Subject: RE: IESO credit facility

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Appreciate your efforts to co-ordinate a timely approval.

Call me to discuss if needed.

Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

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I understand your main concern is your interactions with the ratings agencies, Moody's specifically.

Is there a particular timeline that you have to meet? My estimation is that the required approvals

can be obtained in the early part of next week or the week after. I know the week after is spilling into September.

I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.

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John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From: Victor Buza
To: John Kim; Anthony Martinello
Cc: Sarah Harris; Sarah Neville
Subject: RE: IESO credit facility - Intercept Letter
Date: Tuesday, October 24, 2017 9:53:39 AM
Attachments: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24.docx

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DRAFT

From:	John Kim
To:	Lisa Stein
Cc:	Sarah Neville; Sarah Harris; William Tan; Gavin He
Subject:	RE: IESO credit facility - Intercept Letter
Date:	Tuesday, October 24, 2017 2:14:52 PM

Hi Lisa,
Could you do the edit to IESO's addition and send back so there is no confusion?
I'm happy to go back to Ron on his points as well.
John

From: Lisa Stein
Sent: Tuesday, October 24, 2017 2:13 PM
To: John Kim
Cc: Sarah Neville ; Sarah Harris ; William Tan ; Gavin He
Subject: RE: IESO credit facility - Intercept Letter

Hi John,
I've discussed with Sarah N., and we think Ron's edits to the third paragraph of the letter agreement should be deleted and reverted back to the original language. The purpose of that paragraph is for all three parties to acknowledge the current situation, and to change the language for the OFA to "acknowledge" and the other parties to "confirm" the same details will create confusion and possibly further delay this matter.
Also, I recommend deleting the following language added by the IESO – "or through any other agencies, bodies or other means" in the last sentence of the second last paragraph.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320
****
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****

From: John Kim
Sent: Tuesday, October 24, 2017 10:15 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: FW: IESO credit facility - Intercept Letter

Hi Lisa,
Pls. take a look. Ron had some edits which we reflected to IESO's version.
Thanks,
John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 9:54 AM
To: John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>

Subject: RE: IESO credit facility - Intercept Letter

Hi John – per our discussion yesterday, attached is a markup of the draft Intercept Letter, which now shows IESO's changes (as well as those previously provided by MOE).

Let me know if you have any questions.

Regards,

Victor

416-969-6079

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,

Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, September 20, 2017 9:58 AM

To: John Kim <John.Kim@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>

Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,

Do you have time for a quick call this morning?

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, August 23, 2017 8:42 AM

To: John Kim <John.Kim@ofina.on.ca>

Subject: RE: IESO credit facility

Moody's (Gavin MacFarlane) has verbally raised their concern to me that the new $2B facility should be in place this month – main concern is that the IESO may/is rapidly burning through the $975M capacity at about $200M-$250M/month. Also, the first sale to Financing Entity is not expected until October(ish).

I am currently at about $405M utilized.

Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.

Appreciate your efforts to co-ordinate a timely approval.

Call me to discuss if needed.

Regards.

Anthony Martinello
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,

I am currently working on your request for the two facilities with the OFA.

I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.

I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	John Kim
To:	Tobias P. Whitfield (MOF); Sarah Neville; Lisa Stein; William Tan; Sarah Harris
Cc:	Anna Strathy; Francisco Chinchon
Subject:	RE: IESO credit facility
Date:	Friday, October 20, 2017 1:56:14 PM

Thanks everyone for joining the chat on short notice and also to Francisco for helping out. And sorry, didn't mean to leave out Sarah H. in my email this morning.
One of the takeaways from the meeting for me was that we need to let IESO know within reasonable timeframe that amending the existing facilities at any point would require appropriate approvals, likely involving a Directive and that we cannot actively or passively acquiesce [not sure if this is the appropriate word] by not responding. That it would require appropriate approvals when IESO has reasonably concluded its discussion on the matter. I just sent that in an email response following a phone call and also wanted to flag that IESO is expecting the next draft on Wednesday so I think we are looking at that as when we will have a sense of where the two entities stand.
All said, we are working on the Directive option in parallel.
John

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Friday, October 20, 2017 10:15 AM
To: Sarah Neville ; Lisa Stein ; John Kim ; William Tan
Cc: Anna Strathy
Subject: RE: IESO credit facility

I agree that Sarah's question is an important one. What is the purpose of the security interest? I didn't know that the Trust was going to be a creditor of IESO?
Is there some background on that issue?
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Sarah Neville [mailto:Sarah.Neville@ofina.on.ca]
Sent: October 20, 2017 10:13 AM
To: Stein, Lisa (OFA); Kim, John (OFA); Tan, William (OFA)
Cc: Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

I agree with Lisa re intercept.
As a sidebar, not an OFA issue and way beyond my expertise, but is there any concern/discussion that the Trust, if given a first priority over ALL the asset of the IESO could potentially enforce a security interest and liquidate a significant entity responsible for overseeing the supply of electricity into Ontario? Is anyone weighing in on this question -IESO/MOE?
Sarah

From: Lisa Stein
Sent: Friday, October 20, 2017 10:02 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>

Subject: RE: IESO credit facility

If the IESO gives the Trust a 1st priority over all IESO assets, it follows that the intercept provisions as drafted in the proposed credit facility agreement will not work. This further strengthens the case for a directive.

I've copied Toby from MOF Legal as a heads up.

Lisa

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Hi,

Pls. take a look at this once again and let me know if you have any comments. Thus far, IESO has not provided any edits but seem to be indicating that they are getting close to being prepared to sign.

IESO has indicated the following and I will ask you to give it some thought:

"DRAFT - The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."

Thanks,

John

From: John Kim
Sent: Friday, October 06, 2017 10:16 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Partial good news on Energy's side.

I will reach out to Anthony again to nudge things along on IESO side.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: IESO credit facility

John,

I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft). I am still working to determine who will sign for Energy and I'll let you know shortly.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)

Subject: RE: IESO credit facility

Hi Tom,

Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.

Thanks,

John

From: John Kim
Sent: Monday, September 25, 2017 2:03 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: IESO credit facility

My apologies….this email was sent to the wrong address.

From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

Hi Tom,

Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.

We are available for a chat today to address any questions or comments.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	William Tan
To:	Sarah Harris
Subject:	RE: IESO credit facility
Date:	Friday, October 20, 2017 8:43:41 AM

Hi Sarah,
I used the Compare function on Word to compare the current draft against the October 6 draft and found no differences. We can discuss further when you get in.
Thanks,
Will

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein ; Sarah Neville ; William Tan ; Sarah Neville
Cc: Anna Strathy
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We are available for a chat today to address any questions or comments.

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Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	John Kim
To:	"Anthony Martinello"
Cc:	Sarah Harris; Sarah Neville; Lisa Stein; "Victor Buza"
Subject:	RE: IESO credit facility
Date:	Tuesday, October 10, 2017 10:15:22 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits.docx

Hi Anthony,
Energy has indicated that they are good with the letter agreement with minor changes as attached.
Just an FYI.
Thanks,
John

From: John Kim
Sent: Friday, September 29, 2017 11:49 AM
To: 'Victor Buza' ; Anthony Martinello
Cc: Sarah Harris ; Sarah Neville ; Lisa Stein
Subject: RE: IESO credit facility
Great, thanks Victor.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 29, 2017 10:32 AM
To: John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO credit facility
Thanks John - that will work.
We agree to treat the information as confidential. And we will require OPG to treat it as confidential, including a requirement that the information will only be distributed internally or to their advisors on a confidential need-to-know basis.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 28, 2017 2:53 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville; Lisa Stein
Subject: RE: IESO credit facility
Hi Victor,
Could we get an assurance from your Legal, perhaps belatedly, to treat all items related to this confidentially and also to share with OPG counterparts on a confidential need to know basis?
On that basis, we are fine for IESO to proceed and discuss with OPG.
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 1:58 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO credit facility
Please re-consider.

The IESO and OPG are currently negotiating terms for the fair hydro program and servicing – and OPG may consider this letter to impact their position on some aspects.
The point of sharing it with OPG is precisely to see if they do have any concerns as I wish to avoid any future unfavourable outcomes that may result by not sharing.
Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 11:48 AM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville; Lisa Stein
Subject: RE: IESO credit facility

Hi Anthony,
We had a quick internal discussion and we are not quite there on the need to share this with OPG and their lawyers. If you feel strongly about it then I will take it back to get that direction but would it be possible to manage any concerns via proposed edits to the draft letter agreement?
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 10:04 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility

John,
Thanks for this.
We have reviewed and before we comment back, we would like your ok to discuss/share this doc with OPG and their lawyers.
Regards.

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I am currently at about $405M utilized.
Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.
Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,
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I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.
I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.
Thanks,
John

Y. John Kim
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recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

I am writing in relation to the Independent Electricity System Operator's (IESO) request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

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Commented [ESP1]: Defer to Corporate?

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From:	John Kim
To:	"Anthony Martinello"
Cc:	Sarah Harris; Sarah Neville; Lisa Stein; "Victor Buza"
Subject:	RE: IESO credit facility
Date:	Tuesday, October 10, 2017 10:15:22 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits.docx

Hi Anthony,
Energy has indicated that they are good with the letter agreement with minor changes as attached.
Just an FYI.
Thanks,
John

From: John Kim
Sent: Friday, September 29, 2017 11:49 AM
To: 'Victor Buza' ; Anthony Martinello
Cc: Sarah Harris ; Sarah Neville ; Lisa Stein
Subject: RE: IESO credit facility
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www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

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Sent: Tuesday, September 26, 2017 1:58 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: IESO credit facility

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Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

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Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From: Victor Buza
To: John Kim; Anthony Martinello
Cc: Sarah Harris; Sarah Neville; Lisa Stein
Subject: RE: IESO credit facility
Date: Friday, September 29, 2017 10:32:25 AM

Thanks John - that will work.
We agree to treat the information as confidential. And we will require OPG to treat it as confidential, including a requirement that the information will only be distributed internally or to their advisors on a confidential need-to-know basis.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 28, 2017 2:53 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville; Lisa Stein
Subject: RE: IESO credit facility

Hi Victor,
Could we get an assurance from your Legal, perhaps belatedly, to treat all items related to this confidentially and also to share with OPG counterparts on a confidential need to know basis?
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From: William Tan
To: Sarah Harris
Cc: Jean-Francois Beaupre
Subject: RE: IESO credit facility
Date: Friday, October 20, 2017 1:34:36 PM

Hi Sarah,
Will do.
WT.

From: Sarah Harris
Sent: Friday, October 20, 2017 12:58 PM
To: William Tan
Cc: Jean-Francois Beaupre
Subject: FW: IESO credit facility

Hi Will,
In my absence next week, please keep Mike, Opal and JF aware of IESO developments.
Thanks,
Sarah

From: Sarah Harris
Sent: Friday, October 20, 2017 12:55 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: Opal Kandelas <Opal.Kandelas@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>
Subject: FW: IESO credit facility

Hi Mike,
As an update on IESO, according to John K "IESO has not provided any edits [to the Credit Facility Agreement] but seem to be indicating that they are getting close to being prepared to sign."
At the same time,"[OPG] Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Will and I met with John K, Francisco, Sarah Neville, Lisa Stein and Toby from LSB to discuss this. The issues are as follows:
1 – Under the draft FHP draft facility, OFA ranks pari passu with all other unsubordinated debt and unsecured Indebtedness of IESO, subject to the existence of any Liens that secure Indebtedness. If the Trust has 1st priority/security over all IESO assets, this (as we currently understand OPG's request) renders the protection our Permitted Liens section moot, and also renders the Negative Pledge section moot since it states that

> *The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured*

Based on my understanding, this would be a fundamental change in the OFA's approach if we permit the Trust to have 1st priority/security over all IESO assets.

2 – If IESO is close to execution, it would be important for the OFA not to give any undertaking to IESO that it would be willing to restructuring any existing facilities, and that any such change would be dependent at that time on analysis of the circumstances and any approvals.
3 – From a simplicity standpoint, the directive to exempt the intercept provision from the credit facility is still the most immediately simple option. However, within the next week it is thought that we should proceed with the tripartite letter PROVIDED that the OFA gives no undertaking to amend its credit facilities down the road. Our speculation is that IESO has some resistance to OPG taking 1st priority interest in all IESO assets and that it may be levering the inclusion of the intercept provision as a reason why OPG can't have a 1st priority claim in all IESO assets. There was also some discussion as to whether the intercept provision could be "secured" by OPG Trust – on the face we don't think so, but more analysis would need to be done as to the legislature appropriations status under the PPSA and the ability for OPG Trust take a security into legislature appropriations.
4- Also, according to Francisco, following the AG's report there is sensitivity around the pricing of the OPG Asset. Particularly if it is thought that the exclusion of the intercept provision from the agreement will add to credit rating agencies view that IESO's assets and cashflows will be unencumbered, it adds suasion to the argument for the Minister to sign an exempting directive.
John Kim will update Ron Kwan who will hopefully in turn brief Gadi. Time is of the essence, since the next IESO draw is on November 21, and the existing credit facility limit would be exceeded by the next draw.
Thanks,
Sarah

From: John Kim
Sent: Friday, October 20, 2017 9:44 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: IESO credit facility
Hi Sarah,
Do you see any issue with the priority of payment/asset part in implementing it?
Let me know what you think pls.
John.

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Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
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Hi,
Pls. take a look at this once again and let me know if you have any comments. Thus far, IESO has not provided any edits but seem to be indicating that they are getting close to being prepared to sign.
IESO has indicated the following and I will ask you to give it some thought:
"DRAFT - The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
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From: John Kim
Sent: Friday, October 06, 2017 10:16 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.
John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: IESO credit facility

John,
I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft). I am still working to determine who will sign for Energy and I'll let you know shortly.
Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility

Hi Tom,
Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.
Thanks,
John

From: John Kim
Sent: Monday, September 25, 2017 2:03 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: IESO credit facility

My apologies….this email was sent to the wrong address.

From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

Hi Tom,
Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.
We are available for a chat today to address any questions or comments.
Thanks,

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	Lisa Stein
To:	John Kim; Tobias P. Whitfield (MOF); Sarah Neville
Cc:	Sarah Harris; Anna Strathy
Subject:	RE: IESO credit facility
Date:	Tuesday, September 26, 2017 4:29:56 PM

Hi John,
Yes, your understanding is correct. There are currently no "exceptions" to or specific "carve outs" from the intercept requirement in the Policy and I agree with Toby. I was trying to address the question you had raised in your earlier e-mail.
Lisa

From: John Kim
Sent: Tuesday, September 26, 2017 4:03 PM
To: Lisa Stein ; Tobias P. Whitfield (MOF) ; Sarah Neville
Cc: Sarah Harris ; Anna Strathy
Subject: RE: IESO credit facility

Hi Lisa, Toby,
I want to clarify that based on the approach we are moving forward with, the understanding of the OFA Lending Policy should be such that where there are no appropriation by Legislature, there is nothing contemplated by the OFA Lending Policy to intercept. Some of us in CEFD are a bit concerned about the wording 'carve-outs' and 'perhaps' below. I think Toby referred to 'carve-outs' to refer to exceptions to what is subject to the intercept. With the draft letter agreement, we are taking a position that there is nothing to intercept and that we are agreeing to put the intercept clause in as in the future there could be appropriations by Legislature for the IESO at which point, it would become necessary in the future which would be a prudent thing to have.
I was getting Ron in the loop as potentially ready to manage the process with OPG.
Let me know pls. if I am off base on any of the above.
John

From: Lisa Stein
Sent: Tuesday, September 26, 2017 11:34 AM
To: John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

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Sent: Tuesday, September 26, 2017 11:24 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>

Subject: RE: IESO credit facility

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- Intercepting these program specific payments, which are appropriated by the Legislature for the Ministry of Energy, under which the IESO may only be providing a conduit to local distribution companies under the IESO settlement system to provide benefits to ratepayers, in order to recover loan payments would not be in alignment with the wording or intent of the OFA's Lending Policy.

Would these not relate to the carve-outs that Toby is referring to? Let me know pls. if I am mis-interpreting things.

John

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: Tuesday, September 26, 2017 11:01 AM

To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>

Subject: RE: IESO credit facility

Although I am sympathetic to Anthony's concerns, I am not sure that the OFA lending policy leaves room for carve-outs for what is subject to the intercept.

Sarah and Lisa, do you see scope for doing so?

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 10:44 AM
To: Neville, Sarah (OFA); Stein, Lisa (OFA)
Cc: Harris, Sarah (OFA); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

Anthony had very cursory comments along two points – some concern expressed by Stikeman and Elliott about priority over payments and that they have some MOECC dealings related to Cap and Trade(?). I mentioned to him that the intent is not to cover anything other than appropriation for IESO's own operational funding and that happy to receive edits to cover such concerns.

John

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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Tobias P.

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I understand that we have been treating this loan as confidential, and OFA can waive confidentiality and allow disclosure to OPG (if this route is agree to I would recommend that disclosure be made by IESO on a confidential basis) but the risk/caution is that adding more layers outside of the immediate parties to the intercept (which now includes MOE), will add further delay and complexity in what is essentially an administrative issue and as noted we are not plugged into the broader discussions going on between the other parties with respect to other components of the FHP process.
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Hi Sarah,
Sounds good to me. Anthony gave me a call to give me the heads-up before the email.
I did also mention to him that we would be open to suggested edits to the draft to reflect any comments they may have.
John

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Subject: RE: IESO credit facility
Hi John,
Off the top of my head I don't see any legal issues from the OFA perspective, but I defer to Lisa because she is closer to the documentation than I am so will ask her to weigh in.
We should also consider giving Toby a heads up because I think MOF Legal's been more involved in the OPG side of things, I don't know where things stand on the other various moving parts that are not directly within the mandate of the OFA. I will give him a quick call.
Sarah

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:05 AM

To: Lisa Stein (Lisa.Stein@ofina.on.ca) <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Hi Lisa – could you let us know if you see any concerns with this request?
Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 10:04 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility

John,
Thanks for this.
We have reviewed and before we comment back, we would like your ok to discuss/share this doc with OPG and their lawyers.
Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,
Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,
Do you have time for a quick call this morning?
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

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I am currently at about $405M utilized.
Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.
Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,
I am currently working on your request for the two facilities with the OFA.
I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.
I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.
Thanks,
John

Y. John Kim
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Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

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From:	John Kim
To:	Lisa Stein; Tobias P. Whitfield (MOF); Sarah Neville
Cc:	Sarah Harris; Anna Strathy
Subject:	RE: IESO credit facility
Date:	Tuesday, September 26, 2017 4:03:12 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean.docx

For Toby's information, attached the draft letter agreement.

From: John Kim
Sent: Tuesday, September 26, 2017 4:03 PM
To: Lisa Stein ; Tobias P. Whitfield (MOF) ; Sarah Neville
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Subject: RE: IESO credit facility

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Sent: Tuesday, September 26, 2017 11:34 AM
To: John Kim <John.Kim@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

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From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Tuesday, September 26, 2017 11:01 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

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Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 10:44 AM
To: Neville, Sarah (OFA); Stein, Lisa (OFA)
Cc: Harris, Sarah (OFA); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

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Subject: FW: IESO credit facility

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Sent: Tuesday, September 26, 2017 10:04 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility

John,
Thanks for this.
We have reviewed and before we comment back, we would like your ok to discuss/share this doc with OPG and their lawyers.
Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,
Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,
Do you have time for a quick call this morning?
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

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I am currently at about $405M utilized.
Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.
Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,
I am currently working on your request for the two facilities with the OFA.
I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.
I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.
Thanks,
John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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I am writing in relation to the Independent Electricity System Operator's (IESO) request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement. The OFA, IESO and the Ministry of Energy ("MOE") acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for the IESO [Energy to confirm] and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), on an unsecured basis, the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and MOE agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):
    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and MOE agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").
    - Under the intercept provision, which shall be included in the Loan Agreements, the IESO also agrees that any notice from the OFA to the Minister of Finance in relation to its failure to pay under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.
    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with MOE and seek MOE's support in getting the IESO to pay the amounts owing within a reasonable cure period.

DRAFT

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, MOE will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and expected timing of such payments to be made by MOE. Upon request, MOE will provide similar information to the Minister of Finance.

- MOE acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, MOE will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

DRAFT

From:	John Kim
To:	Lisa Stein; Tobias P. Whitfield (MOF); Sarah Neville
Cc:	Sarah Harris; Anna Strathy
Subject:	RE: IESO credit facility
Date:	Tuesday, September 26, 2017 4:03:12 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean.docx

For Toby's information, attached the draft letter agreement.

From: John Kim
Sent: Tuesday, September 26, 2017 4:03 PM
To: Lisa Stein ; Tobias P. Whitfield (MOF) ; Sarah Neville
Cc: Sarah Harris ; Anna Strathy
Subject: RE: IESO credit facility

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Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

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To: Anthony Martinello
Subject: IESO credit facility

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I am writing in relation to the Independent Electricity System Operator's (IESO) request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement. The OFA, IESO and the Ministry of Energy ("MOE") acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for the IESO [Energy to confirm] and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), on an unsecured basis, the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and MOE agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):
    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and MOE agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").
    - Under the intercept provision, which shall be included in the Loan Agreements, the IESO also agrees that any notice from the OFA to the Minister of Finance in relation to its failure to pay under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.
    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with MOE and seek MOE's support in getting the IESO to pay the amounts owing within a reasonable cure period.

DRAFT

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, MOE will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and expected timing of such payments to be made by MOE. Upon request, MOE will provide similar information to the Minister of Finance.

- MOE acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, MOE will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

DRAFT

From:	John Kim
To:	Lisa Stein; Tobias P. Whitfield (MOF); Sarah Neville
Cc:	Sarah Harris; Anna Strathy
Subject:	RE: IESO credit facility
Date:	Tuesday, September 26, 2017 4:02:35 PM

Hi Lisa, Toby,
I want to clarify that based on the approach we are moving forward with, the understanding of the OFA Lending Policy should be such that where there are no appropriation by Legislature, there is nothing contemplated by the OFA Lending Policy to intercept. Some of us in CEFD are a bit concerned about the wording 'carve-outs' and 'perhaps' below. I think Toby referred to 'carve-outs' to refer to exceptions to what is subject to the intercept. With the draft letter agreement, we are taking a position that there is nothing to intercept and that we are agreeing to put the intercept clause in as in the future there could be appropriations by Legislature for the IESO at which point, it would become necessary in the future which would be a prudent thing to have.
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- While the IESO settlements system for the electricity sector may facilitate the flow of appropriations of the Ministry of Energy for energy-related programs such as the Ontario Rebate for Electricity Consumers (OREC), the Rural or Remote Rate Protection Program (RRRP), the Ontario Electricity Support Program (OESP) etc., these payments are for the benefit of various electricity consumers.
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distribution companies under the IESO settlement system to provide benefits to ratepayers, in order to recover loan payments would not be in alignment with the wording or intent of the OFA's Lending Policy.

Would these not relate to the carve-outs that Toby is referring to? Let me know pls. if I am mis-interpreting things.

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From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Tuesday, September 26, 2017 11:01 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Although I am sympathetic to Anthony's concerns, I am not sure that the OFA lending policy leaves room for carve-outs for what is subject to the intercept.

Sarah and Lisa, do you see scope for doing so?

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 10:44 AM
To: Neville, Sarah (OFA); Stein, Lisa (OFA)
Cc: Harris, Sarah (OFA); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

Anthony had very cursory comments along two points – some concern expressed by Stikeman and Elliott about priority over payments and that they have some MOECC dealings related to Cap and Trade(?). I mentioned to him that the intent is not to cover anything other than appropriation for IESO's own operational funding and that happy to receive edits to cover such concerns.

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Subject: RE: IESO credit facility

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with this request?)
I understand that we have been treating this loan as confidential, and OFA can waive confidentiality and allow disclosure to OPG (if this route is agree to I would recommend that disclosure be made by IESO on a confidential basis) but the risk/caution is that adding more layers outside of the immediate parties to the intercept (which now includes MOE), will add further delay and complexity in what is essentially an administrative issue and as noted we are not plugged into the broader discussions going on between the other parties with respect to other components of the FHP process.
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To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility
Hi Sarah,
Sounds good to me. Anthony gave me a call to give me the heads-up before the email.
I did also mention to him that we would be open to suggested edits to the draft to reflect any comments they may have.
John

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Subject: RE: IESO credit facility
Hi John,
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We should also consider giving Toby a heads up because I think MOF Legal's been more involved in the OPG side of things, I don't know where things stand on the other various moving parts that are not directly within the mandate of the OFA. I will give him a quick call.
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Hi Lisa – could you let us know if you see any concerns with this request?
Sarah

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To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility

John,
Thanks for this.
We have reviewed and before we comment back, we would like your ok to discuss/share this doc with OPG and their lawyers.
Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,
Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

Hi Anthony,
Do you have time for a quick call this morning?
Thanks,
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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

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I am currently at about $405M utilized.
Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.
Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5

www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,

I am currently working on your request for the two facilities with the OFA.

I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.

I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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Call me to discuss if needed.
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Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5

www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

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Subject: IESO credit facility

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Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	Anthony Martinello
To:	John Kim
Cc:	Sarah Harris; Victor Buza; Sarah Neville; Lisa Stein
Subject:	RE: IESO credit facility
Date:	Tuesday, September 26, 2017 1:58:00 PM

Please re-consider.
The IESO and OPG are currently negotiating terms for the fair hydro program and servicing – and OPG may consider this letter to impact their position on some aspects.
The point of sharing it with OPG is precisely to see if they do have any concerns as I wish to avoid any future unfavourable outcomes that may result by not sharing.
Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 11:48 AM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville; Lisa Stein
Subject: RE: IESO credit facility

Hi Anthony,
We had a quick internal discussion and we are not quite there on the need to share this with OPG and their lawyers. If you feel strongly about it then I will take it back to get that direction but would it be possible to manage any concerns via proposed edits to the draft letter agreement?
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
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To: John Kim <John.Kim@ofina.on.ca>
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Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville
Subject: RE: IESO credit facility

Hi Anthony,
Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM

To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

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Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

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Thanks,

John

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I am currently at about $405M utilized.

Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.

Appreciate your efforts to co-ordinate a timely approval.

Call me to discuss if needed.

Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

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Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

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I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.

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John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	Anthony Martinello
To:	John Kim
Cc:	Sarah Harris; Victor Buza; Sarah Neville; Lisa Stein
Subject:	RE: IESO credit facility
Date:	Tuesday, September 26, 2017 1:58:00 PM

Please re-consider.
The IESO and OPG are currently negotiating terms for the fair hydro program and servicing – and OPG may consider this letter to impact their position on some aspects.
The point of sharing it with OPG is precisely to see if they do have any concerns as I wish to avoid any future unfavourable outcomes that may result by not sharing.
Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 11:48 AM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville; Lisa Stein
Subject: RE: IESO credit facility

Hi Anthony,
We had a quick internal discussion and we are not quite there on the need to share this with OPG and their lawyers. If you feel strongly about it then I will take it back to get that direction but would it be possible to manage any concerns via proposed edits to the draft letter agreement?
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 10:04 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
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Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
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From:	John Kim
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Cc:	Sarah Harris; Victor Buza; Sarah Neville; Lisa Stein
Subject:	RE: IESO credit facility
Date:	Tuesday, September 26, 2017 11:48:24 AM

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From: William Tan
To: Sarah Harris
Cc: Jean-Francois Beaupre
Subject: RE: IESO credit facility
Date: Friday, October 20, 2017 1:34:36 PM

Hi Sarah,
Will do.
WT.

From: Sarah Harris
Sent: Friday, October 20, 2017 12:58 PM
To: William Tan
Cc: Jean-Francois Beaupre
Subject: FW: IESO credit facility

Hi Will,
In my absence next week, please keep Mike, Opal and JF aware of IESO developments.
Thanks,
Sarah

From: Sarah Harris
Sent: Friday, October 20, 2017 12:55 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: Opal Kandelas <Opal.Kandelas@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>
Subject: FW: IESO credit facility

Hi Mike,
As an update on IESO, according to John K "IESO has not provided any edits [to the Credit Facility Agreement] but seem to be indicating that they are getting close to being prepared to sign."
At the same time,"[OPG] Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Will and I met with John K, Francisco, Sarah Neville, Lisa Stein and Toby from LSB to discuss this. The issues are as follows:
1 – Under the draft FHP draft facility, OFA ranks pari passu with all other unsubordinated debt and unsecured Indebtedness of IESO, subject to the existence of any Liens that secure Indebtedness. If the Trust has 1st priority/security over all IESO assets, this (as we currently understand OPG's request) renders the protection our Permitted Liens section moot, and also renders the Negative Pledge section moot since it states that

> *The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured*

Based on my understanding, this would be a fundamental change in the OFA's approach if we permit the Trust to have 1st priority/security over all IESO assets.

2 – If IESO is close to execution, it would be important for the OFA not to give any undertaking to IESO that it would be willing to restructuring any existing facilities, and that any such change would be dependent at that time on analysis of the circumstances and any approvals.
3 – From a simplicity standpoint, the directive to exempt the intercept provision from the credit facility is still the most immediately simple option. However, within the next week it is thought that we should proceed with the tripartite letter PROVIDED that the OFA gives no undertaking to amend its credit facilities down the road. Our speculation is that IESO has some resistance to OPG taking 1st priority interest in all IESO assets and that it may be levering the inclusion of the intercept provision as a reason why OPG can't have a 1st priority claim in all IESO assets. There was also some discussion as to whether the intercept provision could be "secured" by OPG Trust – on the face we don't think so, but more analysis would need to be done as to the legislature appropriations status under the PPSA and the ability for OPG Trust take a security into legislature appropriations.
4- Also, according to Francisco, following the AG's report there is sensitivity around the pricing of the OPG Asset. Particularly if it is thought that the exclusion of the intercept provision from the agreement will add to credit rating agencies view that IESO's assets and cashflows will be unencumbered, it adds suasion to the argument for the Minister to sign an exempting directive.
John Kim will update Ron Kwan who will hopefully in turn brief Gadi. Time is of the essence, since the next IESO draw is on November 21, and the existing credit facility limit would be exceeded by the next draw.
Thanks,
Sarah

From: John Kim
Sent: Friday, October 20, 2017 9:44 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: IESO credit facility
Hi Sarah,
Do you see any issue with the priority of payment/asset part in implementing it?
Let me know what you think pls.
John.

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility
Hi,
Pls. take a look at this once again and let me know if you have any comments. Thus far, IESO has not provided any edits but seem to be indicating that they are getting close to being prepared to sign.
IESO has indicated the following and I will ask you to give it some thought:
"DRAFT - The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Thanks,

John

From: John Kim
Sent: Friday, October 06, 2017 10:16 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.
John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: IESO credit facility

John,
I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft). I am still working to determine who will sign for Energy and I'll let you know shortly.
Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility

Hi Tom,
Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.
Thanks,
John

From: John Kim
Sent: Monday, September 25, 2017 2:03 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: IESO credit facility

My apologies….this email was sent to the wrong address.

From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

Hi Tom,
Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.
We are available for a chat today to address any questions or comments.
Thanks,

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	Lisa Stein
To:	John Kim; Tobias P. Whitfield (MOF); Sarah Neville
Cc:	Sarah Harris; Anna Strathy
Subject:	RE: IESO credit facility
Date:	Tuesday, September 26, 2017 11:33:54 AM

On p. 3, item #6 under "Conditions Precedent", the OFA Lending Policy provides that the OFA must ensure that it has an "appropriate" intercept in place. While the intercept wording in the Policy itself does not provide flexibility (as noted by Toby), perhaps this provision allows for 'carve-outs' in situations where the operation of the intercept would not be appropriate (such as those outlined by John below)?

Lisa

From: John Kim
Sent: Tuesday, September 26, 2017 11:24 AM
To: Tobias P. Whitfield (MOF) ; Sarah Neville ; Lisa Stein
Cc: Sarah Harris ; Anna Strathy
Subject: RE: IESO credit facility

Hi,

I'm happy to organize a call among us, if there is a need for it.

In an earlier note when we were seeking the Intercept Exemption Directive, we had the following bullets as part of the rationale section:

- While the IESO settlements system for the electricity sector may facilitate the flow of appropriations of the Ministry of Energy for energy-related programs such as the Ontario Rebate for Electricity Consumers (OREC), the Rural or Remote Rate Protection Program (RRRP), the Ontario Electricity Support Program (OESP) etc., these payments are for the benefit of various electricity consumers.
- Intercepting these program specific payments, which are appropriated by the Legislature for the Ministry of Energy, under which the IESO may only be providing a conduit to local distribution companies under the IESO settlement system to provide benefits to ratepayers, in order to recover loan payments would not be in alignment with the wording or intent of the OFA's Lending Policy.

Would these not relate to the carve-outs that Toby is referring to? Let me know pls. if I am mis-interpreting things.

John

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Tuesday, September 26, 2017 11:01 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: IESO credit facility

Although I am sympathetic to Anthony's concerns, I am not sure that the OFA lending policy leaves room for carve-outs for what is subject to the intercept.

Sarah and Lisa, do you see scope for doing so?

Toby

Tobias Whitfield
Counsel, Legal Services Branch

Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 26, 2017 10:44 AM
To: Neville, Sarah (OFA); Stein, Lisa (OFA)
Cc: Harris, Sarah (OFA); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

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From:	Lisa Stein
To:	John Kim; Tobias P. Whitfield (MOF); Sarah Neville
Cc:	Sarah Harris; Anna Strathy
Subject:	RE: IESO credit facility
Date:	Tuesday, September 26, 2017 11:33:54 AM

On p. 3, item #6 under "Conditions Precedent", the OFA Lending Policy provides that the OFA must ensure that it has an "appropriate" intercept in place. While the intercept wording in the Policy itself does not provide flexibility (as noted by Toby), perhaps this provision allows for 'carve-outs' in situations where the operation of the intercept would not be appropriate (such as those outlined by John below)?

Lisa

From: John Kim
Sent: Tuesday, September 26, 2017 11:24 AM
To: Tobias P. Whitfield (MOF) ; Sarah Neville ; Lisa Stein
Cc: Sarah Harris ; Anna Strathy
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From: John Kim
To: Tobias P. Whitfield (MOF); Sarah Neville; Lisa Stein
Cc: Sarah Harris; Anna Strathy
Subject: RE: IESO credit facility
Date: Tuesday, September 26, 2017 11:23:52 AM

Hi,
I'm happy to organize a call among us, if there is a need for it.
In an earlier note when we were seeking the Intercept Exemption Directive, we had the following bullets as part of the rationale section:

- While the IESO settlements system for the electricity sector may facilitate the flow of appropriations of the Ministry of Energy for energy-related programs such as the Ontario Rebate for Electricity Consumers (OREC), the Rural or Remote Rate Protection Program (RRRP), the Ontario Electricity Support Program (OESP) etc., these payments are for the benefit of various electricity consumers.
- Intercepting these program specific payments, which are appropriated by the Legislature for the Ministry of Energy, under which the IESO may only be providing a conduit to local distribution companies under the IESO settlement system to provide benefits to ratepayers, in order to recover loan payments would not be in alignment with the wording or intent of the OFA's Lending Policy.

Would these not relate to the carve-outs that Toby is referring to? Let me know pls. if I am mis-interpreting things.
John

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Tuesday, September 26, 2017 11:01 AM
To: John Kim ; Sarah Neville ; Lisa Stein
Cc: Sarah Harris ; Anna Strathy
Subject: RE: IESO credit facility

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Toby

Tobias Whitfield
Counsel, Legal Services Branch
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Phone: 416-325-1456

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Cc: Harris, Sarah (OFA); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
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Do you have time for a quick call this morning?

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, August 23, 2017 8:42 AM

To: John Kim <John.Kim@ofina.on.ca>

Subject: RE: IESO credit facility

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I am currently at about $405M utilized.

Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.

Appreciate your efforts to co-ordinate a timely approval.

Call me to discuss if needed.

Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,

I am currently working on your request for the two facilities with the OFA.

I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.

I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From: Sarah Harris
To: John Kim
Subject: RE: IESO credit facility
Date: Friday, October 20, 2017 10:15:11 AM

Hi John,

Just looking at the language right now of the FHP draft facility, and the current status of the credit facility is pari passu with all other unsubordinated debt and unsecured Indebtedness of IESO, subject to the existence of any Liens that secure Indebtedness. If the Trust has 1st priority/security over all IESO assets, I think renders the protection our Permitted Liens section moot, and also renders the Negative Pledge section moot since it states that

> *The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured*

Based on my understanding, this would be a fundamental change in the OFA's approach if we permit the Trust to have 1st priority/security over all IESO assets.

Again, I suggest speaking with Sarah N. to confirm.

Thanks,

Sarah

From: Sarah Harris
Sent: Friday, October 20, 2017 9:55 AM
To: John Kim
Subject: RE: IESO credit facility

Hi John,

We can technically document anything, but in terms of legal implications, I think Sarah Neville and likely LSB would need to provide advice with regard to the subordination of OEFC and OFA credit facilities to the Trust.

Sarah

From: John Kim
Sent: Friday, October 20, 2017 9:44 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: IESO credit facility

Hi Sarah,

Do you see any issue with the priority of payment/asset part in implementing it?

Let me know what you think pls.

John.

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Hi,

Pls. take a look at this once again and let me know if you have any comments. Thus far, IESO has not provided any edits but seem to be indicating that they are getting close to being prepared to sign. IESO has indicated the following and I will ask you to give it some thought:
"DRAFT - The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Thanks,
John

From: John Kim
Sent: Friday, October 06, 2017 10:16 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility
Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.
John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: IESO credit facility
John,
I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft). I am still working to determine who will sign for Energy and I'll let you know shortly.
Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility
Hi Tom,
Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.
Thanks,
John

From: John Kim
Sent: Monday, September 25, 2017 2:03 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: IESO credit facility
My apologies….this email was sent to the wrong address.

From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM

To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

Hi Tom,

Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.

We are available for a chat today to address any questions or comments.

Thanks,

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From: Sarah Neville
To: John Kim; Lisa Stein
Cc: Sarah Harris; Anna Strathy; Tobias P. Whitfield (MOF)
Subject: RE: IESO credit facility
Date: Tuesday, September 26, 2017 10:36:42 AM

Hi –
I just spoke with Toby (I've copied him as an FYI) and he flagged that he doesn't know why IESO would need to share this with OPG in the first instance. The only issue/reason we could identify was that it may have something to do with the purchase by OPG of the "asset" (I'm using quotation marks because I don't know anything about this transaction or its structure other than how it is referred) from IESO and making sure that the "asset" is free of encumbrances. IESO may have reps or warranties in its dealings with OPG to this effect, and, I am guessing, but this may have been part of the rationale with respect to concerns that IESO had in earlier versions of the drafting in regard to definitions of "permitted liens" and ranking of debt. Our advice is to reach out to IESO and try to ascertain the reason for the request (John, as Anthony called you, perhaps you could call him back with this request?)
I understand that we have been treating this loan as confidential, and OFA can waive confidentiality and allow disclosure to OPG (if this route is agree to I would recommend that disclosure be made by IESO on a confidential basis) but the risk/caution is that adding more layers outside of the immediate parties to the intercept (which now includes MOE), will add further delay and complexity in what is essentially an administrative issue and as noted we are not plugged into the broader discussions going on between the other parties with respect to other components of the FHP process.
Sarah

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I did also mention to him that we would be open to suggested edits to the draft to reflect any comments they may have.
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We should also consider giving Toby a heads up because I think MOF Legal's been more involved in the OPG side of things, I don't know where things stand on the other various moving parts that are not directly within the mandate of the OFA. I will give him a quick call.
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Cc: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Hi Lisa – could you let us know if you see any concerns with this request?
Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, September 26, 2017 10:04 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility

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Thanks for this.
We have reviewed and before we comment back, we would like your ok to discuss/share this doc with OPG and their lawyers.
Regards.

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Hi Anthony,
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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
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To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
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Date:	Tuesday, September 26, 2017 10:15:38 AM

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Sounds good to me. Anthony gave me a call to give me the heads-up before the email.
I did also mention to him that we would be open to suggested edits to the draft to reflect any comments they may have.
John

From: Sarah Neville
Sent: Tuesday, September 26, 2017 10:13 AM
To: Lisa Stein ; John Kim
Cc: Sarah Harris ; Anna Strathy
Subject: RE: IESO credit facility
Hi John,
Off the top of my head I don't see any legal issues from the OFA perspective, but I defer to Lisa because she is closer to the documentation than I am so will ask her to weigh in.
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Sent: Tuesday, September 26, 2017 10:05 AM
To: Lisa Stein (Lisa.Stein@ofina.on.ca) <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
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To: John Kim <John.Kim@ofina.on.ca>
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Sent: September 21, 2017 4:07 PM
To: Anthony Martinello
Cc: Sarah Harris; Victor Buza; Sarah Neville

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To: John Kim <John.Kim@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>

Subject: RE: IESO credit facility

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From: William Tan
To: Sarah Harris
Subject: RE: IESO credit facility
Date: Friday, September 22, 2017 9:41:31 AM

Fingers crossed.

From: Sarah Harris
Sent: Friday, September 22, 2017 9:05 AM
To: William Tan
Subject: FW: IESO credit facility

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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: IESO credit facility

Hi Anthony,

Pls. see attached draft letter agreement for IESO's consideration. We have shared with Energy Legal the draft as well to get their input/comments.

Thanks,

John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Sure, before 11am today is preferred. Can you send call-in details. Regards.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 20, 2017 9:44 AM
To: Anthony Martinello
Cc: Sarah Harris
Subject: RE: IESO credit facility

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Thanks,

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From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

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Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.
Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,
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I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.
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Thanks,
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Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From: Sarah Harris
To: John Kim
Subject: RE: IESO credit facility
Date: Friday, October 20, 2017 10:15:11 AM

Hi John,

Just looking at the language right now of the FHP draft facility, and the current status of the credit facility is pari passu with all other unsubordinated debt and unsecured Indebtedness of IESO, subject to the existence of any Liens that secure Indebtedness. If the Trust has 1st priority/security over all IESO assets, I think renders the protection our Permitted Liens section moot, and also renders the Negative Pledge section moot since it states that

> *The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured*

Based on my understanding, this would be a fundamental change in the OFA's approach if we permit the Trust to have 1st priority/security over all IESO assets.

Again, I suggest speaking with Sarah N. to confirm.

Thanks,

Sarah

From: Sarah Harris
Sent: Friday, October 20, 2017 9:55 AM
To: John Kim
Subject: RE: IESO credit facility

Hi John,

We can technically document anything, but in terms of legal implications, I think Sarah Neville and likely LSB would need to provide advice with regard to the subordination of OEFC and OFA credit facilities to the Trust.

Sarah

From: John Kim
Sent: Friday, October 20, 2017 9:44 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: IESO credit facility

Hi Sarah,

Do you see any issue with the priority of payment/asset part in implementing it?

Let me know what you think pls.

John.

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility

Hi,

Pls. take a look at this once again and let me know if you have any comments. Thus far, IESO has not provided any edits but seem to be indicating that they are getting close to being prepared to sign. IESO has indicated the following and I will ask you to give it some thought:
"DRAFT - The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Thanks,
John

From: John Kim
Sent: Friday, October 06, 2017 10:16 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility
Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.
John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: IESO credit facility
John,
I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft). I am still working to determine who will sign for Energy and I'll let you know shortly.
Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility
Hi Tom,
Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.
Thanks,
John

From: John Kim
Sent: Monday, September 25, 2017 2:03 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: IESO credit facility
My apologies….this email was sent to the wrong address.

From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM

To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

Hi Tom,

Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.

We are available for a chat today to address any questions or comments.

Thanks,

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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Cc:	Sarah Harris; Victor Buza; Sarah Neville
Subject:	RE: IESO credit facility
Date:	Thursday, September 21, 2017 4:07:13 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean.docx

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I am writing in relation to the Independent Electricity System Operator's (IESO) request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement. The OFA, IESO and the Ministry of Energy ("MOE") acknowledge and confirm that at this time there are no amounts appropriated by the Legislature for the IESO [Energy to confirm] and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), on an unsecured basis, the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

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DRAFT

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Subject: RE: IESO credit facility
Date: Wednesday, September 20, 2017 11:36:04 AM

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From: Sarah Harris
Sent: Wednesday, September 20, 2017 11:35 AM
To: John Kim
Subject: RE: IESO credit facility

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Sarah

From: John Kim
Sent: Wednesday, September 20, 2017 10:10 AM
To: 'Anthony Martinello' <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

Let's try 10:30am. Hoping Sarah will also be available.
416-212-8014
Or
866-500-5845
Conference ID:6948294

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To: John Kim <John.Kim@ofina.on.ca>
Subject: RE: IESO credit facility

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I am currently at about $405M utilized.
Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.
Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

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I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.
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Thanks,
John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From: Sarah Harris
To: John Kim
Subject: RE: IESO credit facility
Date: Wednesday, September 20, 2017 11:35:19 AM

John - My apologies for not being available. I have been in back to back meetings and just catching up on everything (including the series of e-mails with Anthony) right now.
Sarah

From: John Kim
Sent: Wednesday, September 20, 2017 10:10 AM
To: 'Anthony Martinello'
Cc: Sarah Harris ; Victor Buza
Subject: RE: IESO credit facility

Let's try 10:30am. Hoping Sarah will also be available.
416-212-8014
Or
866-500-5845
Conference ID:6948294

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 20, 2017 9:58 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: IESO credit facility

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From: Anthony Martinello
To: John Kim
Cc: Sarah Harris; Victor Buza
Subject: RE: IESO credit facility
Date: Wednesday, September 20, 2017 9:58:06 AM

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From:	Sarah Harris
To:	John Kim
Subject:	RE: IESO credit facility
Date:	Friday, October 20, 2017 9:54:46 AM

Hi John,
We can technically document anything, but in terms of legal implications, I think Sarah Neville and likely LSB would need to provide advice with regard to the subordination of OEFC and OFA credit facilities to the Trust.
Sarah

From: John Kim
Sent: Friday, October 20, 2017 9:44 AM
To: Sarah Harris
Subject: RE: IESO credit facility
Hi Sarah,
Do you see any issue with the priority of payment/asset part in implementing it?
Let me know what you think pls.
John.

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility
Hi,
Pls. take a look at this once again and let me know if you have any comments. Thus far, IESO has not provided any edits but seem to be indicating that they are getting close to being prepared to sign.
IESO has indicated the following and I will ask you to give it some thought:
"DRAFT - The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Thanks,
John

From: John Kim
Sent: Friday, October 06, 2017 10:16 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility
Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.
John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM

To: John Kim <John.Kim@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: IESO credit facility

John,
I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft). I am still working to determine who will sign for Energy and I'll let you know shortly.
Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility

Hi Tom,
Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.
Thanks,
John

From: John Kim
Sent: Monday, September 25, 2017 2:03 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: IESO credit facility

My apologies….this email was sent to the wrong address.

From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

Hi Tom,
Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.
We are available for a chat today to address any questions or comments.
Thanks,
John

Y. John Kim
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To: John Kim
Subject: RE: IESO credit facility

Moody's (Gavin MacFarlane) has verbally raised their concern to me that the new $2B facility should be in place this month – main concern is that the IESO may/is rapidly burning through the $975M capacity at about $200M-$250M/month. Also, the first sale to Financing Entity is not expected until October(ish).
I am currently at about $405M utilized.
Also, both the IESO Board of Directors and Moody's were expecting these new facilities to be in place this month – and so, any delay would need to be explained.
Appreciate your efforts to co-ordinate a timely approval.
Call me to discuss if needed.
Regards.

Anthony Martinello Director, Treasury & Pension Operations
Independent Electricity System Operator (IESO) | T: 905-403-6944
Station A, Box 4474, Toronto, ON, M5W 4E5
www.ieso.ca[ieso.ca]

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: August 22, 2017 5:22 PM
To: Anthony Martinello
Subject: IESO credit facility

Hi Anthony,
I am currently working on your request for the two facilities with the OFA.
I understand your main concern is your interactions with the ratings agencies, Moody's specifically. Is there a particular timeline that you have to meet? My estimation is that the required approvals can be obtained in the early part of next week or the week after. I know the week after is spilling into September.
I am happy to keep pushing for early next week but let me know if the first week of September works. I am confirming as some extraordinary steps are involved.
Thanks,
John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	John Kim
To:	"Anthony Martinello"
Cc:	Sarah Harris
Subject:	RE: IESO credit facility
Date:	Wednesday, September 20, 2017 9:44:14 AM

Hi Anthony,
Do you have time for a quick call this morning?
Thanks,
John

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, August 23, 2017 8:42 AM
To: John Kim
Subject: RE: IESO credit facility

Moody's (Gavin MacFarlane) has verbally raised their concern to me that the new $2B facility should be in place this month – main concern is that the IESO may/is rapidly burning through the $975M capacity at about $200M-$250M/month. Also, the first sale to Financing Entity is not expected until October(ish).
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From:	Sarah Harris
To:	John Kim
Subject:	RE: IESO credit facility
Date:	Friday, October 20, 2017 9:54:46 AM

Hi John,
We can technically document anything, but in terms of legal implications, I think Sarah Neville and likely LSB would need to provide advice with regard to the subordination of OEFC and OFA credit facilities to the Trust.
Sarah

From: John Kim
Sent: Friday, October 20, 2017 9:44 AM
To: Sarah Harris
Subject: RE: IESO credit facility
Hi Sarah,
Do you see any issue with the priority of payment/asset part in implementing it?
Let me know what you think pls.
John.

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility
Hi,
Pls. take a look at this once again and let me know if you have any comments. Thus far, IESO has not provided any edits but seem to be indicating that they are getting close to being prepared to sign.
IESO has indicated the following and I will ask you to give it some thought:
"DRAFT - The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed amongst all parties. If this proceeds, the IESO will have to amend/restructure its current credit facilities with TD Bank, OFA, and OEFC as all are unsecured pari-passu."
Thanks,
John

From: John Kim
Sent: Friday, October 06, 2017 10:16 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: IESO credit facility
Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.
John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Friday, October 06, 2017 10:07 AM

To: John Kim <John.Kim@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: IESO credit facility

John,
I can now confirm that we are comfortable with the wording of the IESO intercept letter agreement (subject to the very minor revisions illustrated in the attached draft). I am still working to determine who will sign for Energy and I'll let you know shortly.
Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: September 27, 2017 11:50 AM
To: McKinlay, Tom (MAG)
Subject: RE: IESO credit facility

Hi Tom,
Just following up on this one. Let me know pls. if it would be timely for us to follow up with your client at Energy.
Thanks,
John

From: John Kim
Sent: Monday, September 25, 2017 2:03 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: IESO credit facility

My apologies….this email was sent to the wrong address.

From: John Kim
Sent: Thursday, September 21, 2017 11:42 AM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

Hi Tom,
Pls. see attached draft letter agreement to get the discussion going. I believe you saw the short briefing note Ron shared with Steen on Tuesday.
We are available for a chat today to address any questions or comments.
Thanks,
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Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From: John Kim
To: Sarah Harris
Subject: RE: IESO credit facility
Date: Friday, October 20, 2017 9:43:49 AM

Hi Sarah,
Do you see any issue with the priority of payment/asset part in implementing it?
Let me know what you think pls.
John.

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein ; Sarah Neville ; William Tan ; Sarah Neville
Cc: Anna Strathy
Subject: FW: IESO credit facility

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Subject: FW: IESO credit facility

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We are available for a chat today to address any questions or comments.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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Subject: FW: IESO credit facility

Partial good news on Energy's side.
I will reach out to Anthony again to nudge things along on IESO side.
John

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Tom.

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Thanks,

John

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Subject: IESO credit facility

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We are available for a chat today to address any questions or comments.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	John Kim
To:	Tobias P. Whitfield (MOF); Sarah Neville; Lisa Stein; William Tan; Sarah Harris
Cc:	Anna Strathy; Francisco Chinchon
Subject:	RE: IESO credit facility
Date:	Friday, October 20, 2017 1:56:14 PM

Thanks everyone for joining the chat on short notice and also to Francisco for helping out. And sorry, didn't mean to leave out Sarah H. in my email this morning.
One of the takeaways from the meeting for me was that we need to let IESO know within reasonable timeframe that amending the existing facilities at any point would require appropriate approvals, likely involving a Directive and that we cannot actively or passively acquiesce [not sure if this is the appropriate word] by not responding. That it would require appropriate approvals when IESO has reasonably concluded its discussion on the matter. I just sent that in an email response following a phone call and also wanted to flag that IESO is expecting the next draft on Wednesday so I think we are looking at that as when we will have a sense of where the two entities stand.
All said, we are working on the Directive option in parallel.
John

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Friday, October 20, 2017 10:15 AM
To: Sarah Neville ; Lisa Stein ; John Kim ; William Tan
Cc: Anna Strathy
Subject: RE: IESO credit facility

I agree that Sarah's question is an important one. What is the purpose of the security interest? I didn't know that the Trust was going to be a creditor of IESO?
Is there some background on that issue?
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Sarah Neville [mailto:Sarah.Neville@ofina.on.ca]
Sent: October 20, 2017 10:13 AM
To: Stein, Lisa (OFA); Kim, John (OFA); Tan, William (OFA)
Cc: Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: IESO credit facility

I agree with Lisa re intercept.
As a sidebar, not an OFA issue and way beyond my expertise, but is there any concern/discussion that the Trust, if given a first priority over ALL the asset of the IESO could potentially enforce a security interest and liquidate a significant entity responsible for overseeing the supply of electricity into Ontario? Is anyone weighing in on this question -IESO/MOE?
Sarah

From: Lisa Stein
Sent: Friday, October 20, 2017 10:02 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>

Subject: RE: IESO credit facility

If the IESO gives the Trust a 1st priority over all IESO assets, it follows that the intercept provisions as drafted in the proposed credit facility agreement will not work. This further strengthens the case for a directive.

I've copied Toby from MOF Legal as a heads up.

Lisa

From: John Kim
Sent: Friday, October 20, 2017 8:08 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
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Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: IESO credit facility

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John

Y. John Kim
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e-mail: john.kim@ofina.on.ca
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From: John Kim
To: "Victor Buza"; Anthony Martinello
Cc: Lisa Stein; William Tan; Sarah Harris; Gavin He
Subject: RE: Intercept Letter
Date: Friday, November 03, 2017 11:11:39 AM

Hi Anthony, Victor,
I understand there are some logistic challenges on your end. We have some as well.
Could we commit to execute these items, the letter agreement and credit facilities, on Monday with the understanding that the only reason is logistics.
Thanks,
John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, November 02, 2017 6:04 PM
To: John Kim ; Anthony Martinello
Cc: Lisa Stein ; William Tan ; Sarah Harris ; Gavin He
Subject: RE: Intercept Letter
Just to let everyone know, we received the three original copies of the Intercept Letter already signed by MOE and OFA.
Will have them executed tomorrow along with the other OFA document and return two original copies as you directed below – plus circulate the electronic version.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: November 02, 2017 3:56 PM
To: Anthony Martinello; Victor Buza
Cc: Lisa Stein; William Tan; Sarah Harris; Gavin He
Subject: RE: Intercept Letter
Hi Anthony, Victor,
When signed at IESO, pls. send one copy to us and one to Energy. An electronic version would be helpful.
Thanks,
John

From: Sarah Harris
Sent: Thursday, November 02, 2017 12:58 PM
To: Anthony.Martinello@ieso.ca; Victor.Buza@ieso.ca
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: Intercept Letter
Hello Victor and Anthony,
The intercept letter has been signed off by Energy, and it will be hand-delivered to IESO shortly.
Thanks,
Sarah

Sent from my iPhone

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From: Victor Buza
To: John Kim; Anthony Martinello
Cc: Lisa Stein; William Tan; Sarah Harris; Gavin He
Subject: RE: Intercept Letter
Date: Thursday, November 02, 2017 6:04:25 PM

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To: Anthony.Martinello@ieso.ca; Victor.Buza@ieso.ca
Cc: Lisa Stein; William Tan; Sarah Harris; Gavin He
Subject: RE: Intercept Letter
Date: Thursday, November 02, 2017 3:55:44 PM

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Subject: Intercept Letter

Hello Victor and Anthony,

The intercept letter has been signed off by Energy, and it will be hand-delivered to IESO shortly.

Thanks,

Sarah

Sent from my iPhone

From: Anna Strathy
To: Sarah Harris
Subject: RE: Intercept Letter
Date: Friday, November 03, 2017 11:47:31 AM

Thanks Sarah.

From: Sarah Harris
Sent: Friday, November 03, 2017 11:12 AM
To: Anna Strathy
Subject: FW: Intercept Letter

FYI

From: John Kim
Sent: Friday, November 03, 2017 11:12 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept Letter

Hi Anthony, Victor,

I understand there are some logistic challenges on your end. We have some as well.

Could we commit to execute these items, the letter agreement and credit facilities, on Monday with the understanding that the only reason is logistics.

Thanks,

John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, November 02, 2017 6:04 PM
To: John Kim <John.Kim@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept Letter

Just to let everyone know, we received the three original copies of the Intercept Letter already signed by MOE and OFA.

Will have them executed tomorrow along with the other OFA document and return two original copies as you directed below – plus circulate the electronic version.

Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: November 02, 2017 3:56 PM
To: Anthony Martinello; Victor Buza
Cc: Lisa Stein; William Tan; Sarah Harris; Gavin He
Subject: RE: Intercept Letter

Hi Anthony, Victor,

When signed at IESO, pls. send one copy to us and one to Energy. An electronic version would be helpful.

Thanks,

John

From: Sarah Harris
Sent: Thursday, November 02, 2017 12:58 PM

To: Anthony.Martinello@ieso.ca; Victor.Buza@ieso.ca

Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>

Subject: Intercept Letter

Hello Victor and Anthony,

The intercept letter has been signed off by Energy, and it will be hand-delivered to IESO shortly.

Thanks,

Sarah

Sent from my iPhone

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

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From:	John Kim
To:	Lisa Stein; Sarah Harris
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx
Date:	Wednesday, November 01, 2017 12:23:11 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v6.docx

Latest version….getting this signed.

From: John Kim
Sent: Wednesday, November 01, 2017 12:18 PM
To: Lisa Stein ; Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx

Hope this works….

From: John Kim
Sent: Wednesday, November 01, 2017 12:10 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx

Hi Lisa, Sarah,
Would you know how to include page numbers and names of the recipients up to each subsequent pages?
If you have a sample, I can do it myself.
Thanks,
John

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

November , 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

I am writing in relation to the Independent Electricity System Operator's ("IESO") request to the Ontario Financing Authority ("OFA") for a new revolving credit facility in an amount of up to CAD $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.* Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

The IESO and the Ministry of Energy ("ENERGY") confirm and the OFA acknowledges that at this time there are no amounts appropriated by the Legislature for payment to the IESO by ENERGY and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement") on an unsecured basis, the OFA requires ENERGY and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

... 2

- The OFA, the IESO, and ENERGY agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):

    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and ENERGY agree that, in the event that the Legislature appropriates any funds for payment by ENERGY to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision"). Terms relating to the intercept provision shall also be separately included in the Loan Agreements.

    - If the intercept provision is exercised, the IESO agrees that any notice from the OFA to the Minister of Finance in relation to its failure to make a payment that is due under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with ENERGY and seek ENERGY's support in getting the IESO to pay the amounts owing to OFA within a reasonable cure period.

    - Upon receipt of notice from the OFA that the IESO has failed to make one or more payments owing to it in accordance with the provisions of a Loan Agreement, ENERGY will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO by ENERGY, including the intended purpose and expected timing of such payments to be made by ENERGY. Upon request, ENERGY will provide similar information to the Minister of Finance.

    - ENERGY acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment by ENERGY to the IESO, ENERGY will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

    - For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

... 3

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

Sincerely,

_____

Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

The undersigned hereby agree to the terms and conditions as set out in this letter agreement and have executed this letter agreement as of the date first noted above.

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

November , 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

I am writing in relation to the Independent Electricity System Operator's ("IESO") request to the Ontario Financing Authority ("OFA") for a new revolving credit facility in an amount of up to CAD $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.* Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

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    - If the intercept provision is exercised, the IESO agrees that any notice from the OFA to the Minister of Finance in relation to its failure to make a payment that is due under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with ENERGY and seek ENERGY's support in getting the IESO to pay the amounts owing to OFA within a reasonable cure period.

    - Upon receipt of notice from the OFA that the IESO has failed to make one or more payments owing to it in accordance with the provisions of a Loan Agreement, ENERGY will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO by ENERGY, including the intended purpose and expected timing of such payments to be made by ENERGY. Upon request, ENERGY will provide similar information to the Minister of Finance.

    - ENERGY acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment by ENERGY to the IESO, ENERGY will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

    - For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

... 3

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Sincerely,

_____

Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

The undersigned hereby agree to the terms and conditions as set out in this letter agreement and have executed this letter agreement as of the date first noted above.

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

To: [John Kim](); [Lisa Stein]()
Cc: [William Tan](); [Gavin He]()
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 2:02:59 PM

Hi,

Just to clarify, Anthony wanted to sign all documents this week. We had first suggested first we sign the FHP so the next draw could be done under it, and then we execute the amending agreement to reduce the existing facility after the current

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:58 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Lisa,

I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw….what are your thoughts then?

The existing one is already B689M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.

John

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:55 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No - the amount of the existing facility needs to be reduced first.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:54 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Why November 22?

Wouldn't it be effective right away?

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:53 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: Victor Buza <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreement.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bolf; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buza
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bolf; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

_____
From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: Victor Buza; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bolf; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Victor Buza; McKinlay, Tom (MAG)
Cc: Lisa Stein; Anthony Martinello; Michael Bolf; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buza' <Victor.Buza@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bolf' <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; Victor Buza' <Victor.Buza@ieso.ca>; Victor Buza <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bolf' <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello'; Michael Bolf'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: Victor Buza' <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAtClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttp-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-26data-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C3abd8491f9bdbef0cd9b4209b851fae98b0-257C0-26sdata-3DSMXkdKrWwG2JWfMPIDkD2UzAkmbrbzuW6UsMb5LdIgE-253D-26reserved-3D0-5Bieso.ca-5D-5Bna01.safelinks.protection.outlook.com-3Furl-3Dwww.ieso.ca-252Fsites-252FIESO_Participate-252FPages-252FDefault.aspx-26data-3D02-257C01-257Cvictor.buza-2540ieso.ca-257C3abd8491f9bdbef0cd9b4209b851fae98b0-257C0-26sdata-3DVbJ-252BJ-252FJ-252BJ-252FJ-252BJ-252F

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-0996

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From: [Lisa Stein]
To: [John Kim]
Cc: [William Tan](mailto:), [Sarah Harris](mailto:), [Gavin He]
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyAbits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 2:30:14 PM

The new FIIP credit facility agreement will be executed and effective prior to AA#10. AA#10 will be effective November 22, 2017 (to allow it to be executed at the same time as the other agreements). I have had discussions about this matter with Sarah and Will, so I will defer to them to explain the operational details.

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Thank you,

Lisa

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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
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Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buza
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bull; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bull; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bull; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bull' <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bull' <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; Michael Bull'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: Victor Buza' <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1

Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Fur%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fdata-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C0abd8491f08dcf0cff8c0208d51ae98b0-257C7c055abd03f24fc5f84bf38ea458add8%257C0-26data-3DMX6dRrWwG21WfMPIDkIZUuAkmbrbzuW6Uxh8U1Ajlqjf--253D-26reserved-3D0-5Bieso.ca-5D-5Bua01.safelinks.protection.outlook.com-2F%3Furl%3Dhttp%253A%252F%252Furldefense.proofpoint.com%252Fv2%252Fur%253Fu%253Dhttp-2DA__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Fur-253Fu-253Dhttp-2D3A-5F-5Fwww.ieso.ca-5F-2526d-253DDwMFAg-2526c-253DgC-5FYucLTZfJaBAapRaQkKEgrMWFFHCr1-5Fvykjs0FtQ-2526v-253DDrnf746fGhbfVf9BBhBpVR6JLesI4HFYxq7uOGcIsA6l0-2526m-253DbqMtbnAPGKEZp2AQfJaAMA-2D8ad9ebnbsVvuh1z0-2DkJM-2526s-253D0bMqnvaFwZ0z5N-2D4eK3cwjtqbtOu3TWdpwdnCSCMJHxU-2526t-253Dv3tdata-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C2ce0ca1d35ec64fe3c7e9a0bf51f920100-257C7c055abd03f24fc5f84bf38ea458add8-257C0-26data-3DvdUVBHHcMuglAh3AAyuyk%3D-26reserved-3D0%26d%3DDwMFAg%26c%3DgC-5FYucLTZfJaBAapRaQkKEgrMWFFHCr1-5Fvykjs0FtQ-2526r-253DRYCL1JpNYLrwAM-2526i-253Dreserved-3D0%26d%3DDwMFAg%26c%3DgC-5FYucLTZfJaBAapRaQkKEgrMWFFHCr1-5Fvykjs0FtQ%26r%3Dreserved-3D0%26d%3DDwMFAg%26c%3DgC-5FYucLTZfJaBAapRaQkKEgrMWFFHCr1-5Fvykjs0FtQ%26v%3Dreserved-3D0%26d%3DDwMFAg%26c%3DgC-5FYucLTZfJaBAapRaQkKEgrMWFFHCr1-5Fvykjs0FtQ%26v%3DDrnf746fGhbfVf9BBhBpVR6JLesI4HFYxq7uOGcIsA6l0-2526m-253DbqMtbnAPGKEZp2AQfJaAMA-2D8ad9ebnbsVvuh1z0-2DkJM-2526s-253D0bMqnvaFwZ0z5N-2D4eK3cwjtqbtOu3TWdpwdnCSCMJHxU-2526t-253Dv3tdata-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C2ce0ca1d35ec64fe3c7e9a0bf51f920100-257C7c055abd03f24fc5f84bf38ea458add8-257C0-26data-3DvdUVBHHcMuglAh3AAyuyk%3D-26reserved-3D0%26d%3DDwMFAg%26c%3DgC-5FYucLTZfJaBAapRaQkKEgrMWFFHCr1-5Fvykjs0FtQ-2526r-253DRYCL1JpNYLrwAM-2526i-253Dreserved-3D0%26d%3DDwMFAg%26c%3DgC-5FYucLTZfJaBAapRaQkKEgrMWFFHCr1-5Fvykjs0FtQ%26r%3Dreserved-3D0%26d%3DDwMFAg%26c%3DgC-5FYucLTZfJaBAapRaQkKEgrMWFFHCr1-5Fvykjs0FtQ-2526v-253DDrnf746fGhbfVf9BBhBpVR6JLesI4HFYxq7uOGcIsA6l0-2526m-253DbqMtbnAPGKEZp2AQfJaAMA-2D8ad9ebnbsVvuh1z0-2DkJM-2526s-253D0bMqnvaFwZ0z5N-2D4eK3cwjtqbtOu3TWdpwdnCSCMJHxU-2526t-253Dv3tdata-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C2ce0ca1d35ec64fe3c7e9a0bf51f920100-257C7c055abd03f24fc5f84bf38ea458add8-257C0-26data-3DvdUVBHHcMuglAh3AAyuyk%3D-26re

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Victor

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We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

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2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1

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Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-0996

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From: [John Kim]
To: [Lisa Stein]
Cc: [William Tan] [Sarah Harris] [Gavin He]
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyMins_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 1:38:16 PM

Hi Lisa,

I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw….what are your thoughts then?

The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.

John

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:55 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No– the amount of the existing facility needs to be reduced first.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:54 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Why November 22?

Wouldn't it be effective right away?

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From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:53 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

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From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: Victor Buzz' <Victor.Buzz@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
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Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buzz [mailto:Victor.Buzz@ieso.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
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Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreement.
Victor

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buzz
Cc: Lisa Stein; Anthony Martinello; Michael Bull; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

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From: Victor Buzz [mailto:Victor.Buzz@ieso.ca]
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To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
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Victor Buzz | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: http://safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fdata-3D01-2D57C91-2D57C&data=02%7C01%7Cvictor.buza%40ieso.ca%7C2ae3e5fc1f0042dd1f308d5d95797%7Cd5a8d03f243c5f88d3bea5fdad8f%7C1&sdata=%2F3gHuU3f%2FRtwWYWYaK4hBEvTDGIlDJSRzIqH1UdfQ%3D&reserved=0>
<https://ca01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.ieso.ca-5F-252Fdata-252FD01-2D57C91-2D57C&data=02%7C01%7Cvictor.buza%40ieso.ca%7C2ae3e5fc1f0042dd1f308d5d95797%7Cd5a8d03f243c5f88d3bea5fdad8f%7C1&sdata=%2F3gHuU3f%2FRtwWYWYaK4hBEvTDGIlDJSRzIqH1UdfQ%3D&reserved=0>
2D6&sdata=pLpuLOnBxqBG523HB1UH3ZBEJOMcvp6M%2Bg8zUT8%3D&reserved=0>
Twitter: IESO_Tweets|twitter.com|ca01.safelinks.protection.outlook.com|?https://ca01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.twitter.com-2Fieso-2D5Ftweets-252Fdata-252FD0Dv9dFaAcY-252D-3Reserved-
<https://ca01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.ieso.ca-5F-252Fdata-252FD01-2D57C91-2D57C&data=02%7C01%7Cvictor.buza%40ieso.ca%7C2ae3e5fc1f0042dd1f308d5d95797%7Cd5a8d03f243c5f88d3bea5fdad8f%7C1&sdata=%2F3gHuU3f%2FRtwWYWYaK4hBEvTDGIlDJSRzIqH1UdfQ%3D&reserved=0>
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| LinkedIn: IESO|linkedin.com|ca01.safelinks.protection.outlook.com|?https://ca01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.linkedin.com-5Fcompany-5Fieso-252Fdata-252FD0Dv-MFAg-252Fc-253Dqc-5FYucLTZOaBAapRaQkkEqpMWFFRFC1-5Feykjo9FsQ-252Fr-
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| LinkedIn: IESO|linkedin.com|ca01.safelinks.protection.outlook.com|?https://ca01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.linkedin.com-5Fcompany-5Fieso-252Fdata-252FD0Dv-MFAg-252Fc-253Dqc-5FYucLTZOaBAapRaQkkEqpMWFFRFC1-5Feykjo9FsQ-252Fr-
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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buzz
Cc: Lisa Stein; Anthony Martinello; Michael Bull; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-0996

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From: [John Kim]
To: [Lisa Stein]
Cc: [William Tan] [Sarah Harris] [Gavin He]
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyMins_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 1:38:16 PM

Hi Lisa,

I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw….what are your thoughts then?

The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.

John

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:55 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No– the amount of the existing facility needs to be reduced first.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:54 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Why November 22?

Wouldn't it be effective right away?

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:53 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: Victor Buzz' <Victor.Buzz@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buzz [mailto:Victor.Buzz@ieso.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreement.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buzz
Cc: Lisa Stein; Anthony Martinello; Michael Bull; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buzz [mailto:Victor.Buzz@ieso.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buzz
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bull; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: Victor Buzz'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bull; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buzz [mailto:Victor.Buzz@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.

Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buzz
Cc: Lisa Stein; Anthony Martinello; Michael Bull; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buzz' <Victor.Buzz@ieso.ca>; Victor Buzz' <Victor.Buzz@ieso.ca>>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bull' <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; Victor Buzz' <Victor.Buzz@ieso.ca>; Victor Buzz' <Victor.Buzz@ieso.ca>>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bull' <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: Victor Buzz'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello'; Michael Bull'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: Victor Buzz' <Victor.Buzz@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buzz [mailto:Victor.Buzz@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buzz | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: http://safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fdata-3D01-2D57C91-2D57C&data=02%7C01%7Cvictor.buza%40ieso.ca%7C2ae3e5fc1f0042dd1f308d5d95797%7Cd5a8d03f243c5f88d3bea5fdad8f%7C1&sdata=%2F3gHuU3f%2FRtwWYWYaK4hBEvTDGIlDJSRzIqH1UdfQ%3D&reserved=0>
<https://ca01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.ieso.ca-5F-252Fdata-252FD01-2D57C91-2D57C&data=02%7C01%7Cvictor.buza%40ieso.ca%7C2ae3e5fc1f0042dd1f308d5d95797%7Cd5a8d03f243c5f88d3bea5fdad8f%7C1&sdata=%2F3gHuU3f%2FRtwWYWYaK4hBEvTDGIlDJSRzIqH1UdfQ%3D&reserved=0>
2D6&sdata=pLpuLOnBxqBG523HB1UH3ZBEJOMcvp6M%2Bg8zUT8%3D&reserved=0>
Twitter: IESO_Tweets|twitter.com|ca01.safelinks.protection.outlook.com|?https://ca01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.twitter.com-2Fieso-2D5Ftweets-252Fdata-252FD0Dv9dFaAcY-252D-3Reserved-
<https://ca01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.ieso.ca-5F-252Fdata-252FD01-2D57C91-2D57C&data=02%7C01%7Cvictor.buza%40ieso.ca%7C2ae3e5fc1f0042dd1f308d5d95797%7Cd5a8d03f243c5f88d3bea5fdad8f%7C1&sdata=%2F3gHuU3f%2FRtwWYWYaK4hBEvTDGIlDJSRzIqH1UdfQ%3D&reserved=0>
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| LinkedIn: IESO|linkedin.com|ca01.safelinks.protection.outlook.com|?https://ca01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.linkedin.com-5Fcompany-5Fieso-252Fdata-252FD0Dv-MFAg-252Fc-253Dqc-5FYucLTZOaBAapRaQkkEqpMWFFRFC1-5Feykjo9FsQ-252Fr-
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| LinkedIn: IESO|linkedin.com|ca01.safelinks.protection.outlook.com|?https://ca01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.linkedin.com-5Fcompany-5Fieso-252Fdata-252FD0Dv-MFAg-252Fc-253Dqc-5FYucLTZOaBAapRaQkkEqpMWFFRFC1-5Feykjo9FsQ-252Fr-
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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buzz
Cc: Lisa Stein; Anthony Martinello; Michael Bull; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-0996

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From: [redacted]
To: [redacted]
Cc: [redacted]; [redacted]; [redacted]
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 3:36:19 PM

No– the amount of the existing facility needs to be reduced first.

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Sent: Tuesday, October 31, 2017 1:54 PM
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Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Why November 22?

Wouldn't it be effective right away?

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To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
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Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: Tuesday, October 31, 2017 12:57 PM
To: Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buza
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bell; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bell; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter – I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>; 'Michael Bell' <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; Victor Buza' <Victor.Buza@ieso.ca>; 'Michael Bell' <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; Michael Bell; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: Victor Buza' <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; [redacted]
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; [redacted]; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
120 Adelaide Street West, Toronto, ON M5H 1T1

Web: https://na01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fdata-3D01-257C01-257Cvictor.buza-2540ieso.ca-257Cbdbdf8199bdbcf0cd0b4208d51fae06b0-257C7c5f5abd03f243c589fed38ea458add8%7C0&data=%7Cf5abd03f243c589fed38ea458add8%7C0&data=%7Cf5abd03f243c589fed38ea458add8%7C0&data=%7Cf

From: [redacted]
To: [redacted]
Cc: [redacted]; [redacted]; [redacted]
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
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Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>; 'Michael Bell' <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; Victor Buza' <Victor.Buza@ieso.ca>; 'Michael Bell' <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; Michael Bell; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: Victor Buza' <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; [redacted]
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; [redacted]; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
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Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
120 Adelaide Street West, Toronto, ON M5H 1T1

Web: https://na01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fdata-3D01-257C01-257Cvictor.buza-2540ieso.ca-257Cbdbdf8199bdbcf0cd0b4208d51fae06b0-257C7c5f5abd03f243c589fed38ea458add8%7C0&data=%7Cf5abd03f243c589fed38ea458add8%7C0&data=%7Cf5abd03f243c589fed38ea458add8%7C0&data=%7Cf

From: John Kim
To: Lisa Stein
Cc: William Tan ; Sarah Harris ; Sarah Hartz
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 1:53:52 PM

Why November 22?

Wouldn't it be effective right away?

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:53 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

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To: Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
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Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

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Just to be clear, John, I am asking in part because, as part of producing final docx for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercpt clause in the credit agreement.
Victor

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Sent: October 31, 2017 12:57 PM
To: Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bull; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

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Sent: Tuesday, October 31, 2017 12:09 PM
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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
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Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
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Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bull; He, Gavin (OFA)
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We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

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Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

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3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-26data-3D01-257C01-257Cvictor.buza-2540ieso.ca-257Cfabdb49198dcd4fcd08d5516a69b8-257C7c7d5a8d03f243c588fd3bea4fdadb-257C0-26data-3DfMX6dRcWwG21WfMPfDkIZUzAkmhrhnW6UsMhTLd5qE-253D-26reserved-3D0-5Bieso.ca-5D-5Bfaa01.safelinks.protection.outlook.com-5F%2Fo%3FDOcW-5FAgNz&c%3DgL_YucLTZOaBAzqRaQkEgrMWFFHGr1_eykjo6FtiQ%26c%3Dvo974f4GbBdVBHBdpVRiOLesHHFYuq7uOGcAk6H%26e%3Dkc02a9fd29f413ac94b1e7e5c6fd137b-26sdata-3DkMXMvwSv6hzI5eQ6dcbtz-26reserved-3D0-5Bieso.ca-5D-5Bfaa01.safelinks.protection.outlook.com-5F-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.ieso.ca-5F-252Fdocs-252FDevMarkup-2526c-253DgC-5FYucLTZOaBAzqRaQkEgrMWFFHGr1-5Feykjo6FtiQ-2526c-253DOcW074bGbBdVBHBdpVRiOLesHHFYuq7uOGcAk6H-2526e-253Dkc02a9fd29f413ac94b1e7e5c6fd137b-26sdata-3DKBcnrOEIHmIn6TnyXv3nO-252FuIo0L5rH8vBOzy4kpz-252D-26reserved-3D0%26d%3DDwMFAg%26c%3DgL_YucLTZOaBAzqRaQkEgrMWFFHGr1_eykjo6FtiQ%26c%3Dvo974f4GbBdVBHBdpVRiOLesHHFYuq7uOGcAk6H%26e%3DKcuaQ0mwHm23bkYHu7c5c6fd137b_jb_n6df11AfIbP%26s%3DB6XMwvSv6hzI5eQ6dcbtz-91%7C91%7Cvictor.buza%40ieso.ca%7Cfabdb49198dcd4fcd08d5516a69b8%7C7c7d5a8d03f243c588fd3bea4fdadb%7C0%7C0%7C636450135415698101&sdata=RISbXGbaXVSvK%2BIoSFlaiKoNQVGZCXSRvfx2BpyxKNMf4%3D&reserved=0>
| LinkedIn: IESO/linkedin.com/([mail1.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.linkedin.com-5Fcompany-5Fieso-252&d=DwMFAg&c=gL_YucLTZOaBAzqRaQkEgrMWFFHGr1-5Feykjo6FtiQ-2526c-253DOcW074bGbBdVBHBdpVRiOLesHHFYuq7uOGcAk6H-2526e-253Dkc02a9fd29f413ac94b1e7e5c6fd137b_jb_n6df11AfIbP%26s%3DB6XMwvSv6hzI5eQ6dcbtz-91%7C91%7Cvictor.buza%40ieso.ca%7Cfabdb49198dcd4fcd08d5516a69b8%7C7c7d5a8d03f243c588fd3bea4fdadb%7C0%7C0%7C636450135415698101&sdata=Mqb1HyC4HmDwuvBqSzU1xOFKuGzu7CSEyjBBNF4%3D&reserved=0>

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bull; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-0996

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This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

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Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
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Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

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(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
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Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

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Sent: Wednesday, October 25, 2017 4:01 PM
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Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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I'll send this version up and let you know if we have any concerns.

Tom.

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Sent: October 25, 2017 2:48 PM
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Cc: Stein, Lisa (OFA); 'Anthony Martinello'; 'Michael Bull'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bull' <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solution Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-26data-3D01-257C01-257Cvictor.buza-2540ieso.ca-257Cfabdb49198dcd4fcd08d5516a69b8-257C7c7d5a8d03f243c588fd3bea4fdadb-257C0-26data-3DfMX6dRcWwG21WfMPfDkIZUzAkmhrhnW6UsMhTLd5qE-253D-26reserved-3D0-5Bieso.ca-5D-5Bfaa01.safelinks.protection.outlook.com-5F%2Fo%3FDOcW-5FAgNz&c%3DgL_YucLTZOaBAzqRaQkEgrMWFFHGr1_eykjo6FtiQ%26c%3Dvo974f4GbBdVBHBdpVRiOLesHHFYuq7uOGcAk6H%26e%3Dkc02a9fd29f413ac94b1e7e5c6fd137b-26sdata-3DkMXMvwSv6hzI5eQ6dcbtz-26reserved-3D0-5Bieso.ca-5D-5Bfaa01.safelinks.protection.outlook.com-5F-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.ieso.ca-5F-252Fdocs-252FDevMarkup-2526c-253DgC-5FYucLTZOaBAzqRaQkEgrMWFFHGr1-5Feykjo6FtiQ-2526c-253DOcW074bGbBdVBHBdpVRiOLesHHFYuq7uOGcAk6H-2526e-253Dkc02a9fd29f413ac94b1e7e5c6fd137b-26sdata-3DKBcnrOEIHmIn6TnyXv3nO-252FuIo0L5rH8vBOzy4kpz-252D-26reserved-3D0%26d%3DDwMFAg%26c%3DgL_YucLTZOaBAzqRaQkEgrMWFFHGr1_eykjo6FtiQ%26c%3Dvo974f4GbBdVBHBdpVRiOLesHHFYuq7uOGcAk6H%26e%3DKcuaQ0mwHm23bkYHu7c5c6fd137b_jb_n6df11AfIbP%26s%3DB6XMwvSv6hzI5eQ6dcbtz-91%7C91%7Cvictor.buza%40ieso.ca%7Cfabdb49198dcd4fcd08d5516a69b8%7C7c7d5a8d03f243c588fd3bea4fdadb%7C0%7C0%7C636450135415698101&sdata=RISbXGbaXVSvK%2BIoSFlaiKoNQVGZCXSRvfx2BpyxKNMf4%3D&reserved=0>
| LinkedIn: IESO/linkedin.com/([mail1.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Furl-253Fu-253Dhttp-2D3A-5F-5Fwww.linkedin.com-5Fcompany-5Fieso-252&d=DwMFAg&c=gL_YucLTZOaBAzqRaQkEgrMWFFHGr1-5Feykjo6FtiQ-2526c-253DOcW074bGbBdVBHBdpVRiOLesHHFYuq7uOGcAk6H-2526e-253Dkc02a9fd29f413ac94b1e7e5c6fd137b_jb_n6df11AfIbP%26s%3DB6XMwvSv6hzI5eQ6dcbtz-91%7C91%7Cvictor.buza%40ieso.ca%7Cfabdb49198dcd4fcd08d5516a69b8%7C7c7d5a8d03f243c588fd3bea4fdadb%7C0%7C0%7C636450135415698101&sdata=Mqb1HyC4HmDwuvBqSzU1xOFKuGzu7CSEyjBBNF4%3D&reserved=0>

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bull; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-0996

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From: [Lisa Sterio]
To: [John Kim]
Cc: [William Tao]; [Sarah Hatch]
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyAbits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 1:50:09 PM

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
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Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
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Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
Victor

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buza
Cc: Lisa Sterio; Anthony Martinello; Michael Bolf; Gavin He; Tom McKinlay (MAG)
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Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

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Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

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From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buza
Cc: Sterio, Lisa (OFA); Anthony Martinello; Michael Bolf; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

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Sent: Monday, October 30, 2017 11:13 AM
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Cc: Sterio, Lisa (OFA); Anthony Martinello; Michael Bolf; He, Gavin (OFA)
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Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
120 Adelaide Street West, Toronto, ON M5H 1T1

Web: https://na01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fsdata-3D01-2D57C01-2D57C-2Dvictor.buza-2540ieso.ca-2D57Cbfa8f4f198bdef8dfbd208bf51ae9bb0-2D57C7cf55abd83f243c58f4bd3bea45bda8ff-2D57C0-26data-3DMMXd6cWwvG21WfMPIDkI2UoAkmrbrtuW6Uvh8U5LdIqE-2533D-26reserved-3D0-5Bieso.ca-5D-5Bbra01.safelinks.protection.outlook.com-2F%2Fdv%2FDeDcBAgNq2eSyDgC_YucLTZOaBAapRaQkKEqrMWFFHCr1_eykjn0FtQ%2F6c%2Fmv07464Cbbf6Y9BBhBpVR6JLnoH4FYxq7uOCdcA6H%2Fkm%2Bk2hU7u8fQW41Ijq+k0Sj5WYqdVTpWT7ytiIcC_1r_Y%26v%3Dpz_ENQqIwGZ8NpQXqmbLdWvRdzfFBKPrYTqGvw%2Fkdxtw-01%7C01%7Cvictor.buza%40ieso.ca%7Cae1e50c1f8942dd1f308d823085d07%7Cf55abd83f243c58f4bd3bea45bda8ff%7C0&data=%2FPqbaU4%2FRbzWVWYaKdhBE%7DGHDUSEcqEr1TdR2%3D&reserved=0>
<https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-2533A-2525F-2525Furldefense.proofpoint.com-2525Fv2-2525Furl-2525u-2533Dhttps-2533A-5F-5Fwww.ieso.ca-5F-2525d-2525IDocMFAp-2526c-2533DgG-5FYucLTZOaBAapRaQkKEqrMWFFHCr1-5Feykjn0FtQ-2526c-2533Dzv07464Cbbf6Y9BBhBpVR6JLnoH4FYxq7uOCdcA6H-2526s-2533DpqMIbnAPGKEZp2AjQkaAMA-2526d-3DAwIQaA&d=DwIGaQ&c=sdnEM9SRGFuMt5z5w3AQzHpVX-uFLhZXy4Yntv-fXt8&r=Ie_Mtqh1dCbAzyvyKVv-2526l-2526S-2526BIVCL1JqVLraAM-2533D-26reserved-3D0%2526d%3DDwMFAg%26c%3DgG_YucLTZOaBAapRaQkKEqrMWFFHCr1_eykjn0FtQ%2F6c%2Fmv07464Cbbf6Y9BBhBpVR6JLnoH4FYxq7uOCdcA6H%2Fkm%2BK6xuQ0mwHnz2HaVHaTc5vSfnL7b_jh_z6dFl1AIDsP%26s%3DMxpcaE3x_2aUs5HSEAv0mmvAdAXBGZ0U6xnfDDE%26e%3d&data=01%7C01%7Cvictor.buza%40ieso.ca%7Cbdb8691f48da49cd8b4208d51ae9bb0%7C7cf55abd83f243c58f4bd3bea45bda8ff%7C0&sdata=pLpaLOeBxqIBCz532HB1UH3JBEJOMc1pMN%2BgRzUT8P0%3D&reserved=0>> |
Twitter: IESO_Tweets|twitter.com/IESO_Tweets> <https://na01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-2533A-2525F-2525Furldefense.proofpoint.com-2525Fv2-2525Furl-2525u-2533Dhttps-2533A-5F-5Fwww.twitter.com-5Fieso-2525Fwww-2526d-2525IDocMFAp-2526c-2533DgG-5FYucLTZOaBAapRaQkKEqrMWFFHCr1-5Feykjn0FtQ-2526c-2533Dzv07464Cbbf6Y9BBhBpVR6JLnoH4FYxq7uOCdcA6H-2526s-2533DpqMIbnAPGKEZp2AjQkaAMA-2526d-3DAwIQaA&d=DwIGaQ&c=sdnEM9SRGFuMt5z5w3AQzHpVX-uFLhZXy4Yntv-fXt8&r=Ie_Mtqh1dCbAzyvyKVv-2526l-2526S-2526BIVCL1JqVLraAM-2533D-26reserved-3D0%2526d%3DDwMFAg%26c%3DgG_YucLTZOaBAapRaQkKEqrMWFFHCr1_eykjn0FtQ%2F6c%2Fmv07464Cbbf6Y9BBhBpVR6JLnoH4FYxq7uOCdcA6H%2Fkm%2BK6xuQ0mwHnz2HaVHaTc5vSfnL7b_jh_z6dFl1AIDsP%26s%3DMxpcaE3x_2aUs5HSEAv0mmvAdAXBGZ0U6xnfDDE%26e%3d&data=01%7C01%7Cvictor.buza%40ieso.ca%7Cbdb8691f48da49cd8b4208d51ae9bb0%7C7cf55abd83f243c58f4bd3bea45bda8ff%7C0&sdata=4HSkXGlcXVPcb%2Bfdv5IFuaHbWk%2BfnUEFuMFAg%3d&reserved=0>> | LinkedIn: IESO|linkedin.com/pub/ieso-electricity-system-operator/3/b55/b0a | Facebook: IESO|facebook.com/OntarioIESO

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Sterio; Anthony Martinello; Michael Bolf; He, Gavin (OFA)
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-0996

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From:	John Kim
To:	Lisa Stein; Sarah Harris
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx
Date:	Wednesday, November 01, 2017 12:17:52 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v5.docx

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Hope this works….

From: John Kim
Sent: Wednesday, November 01, 2017 12:10 PM
To: Lisa Stein ; Sarah Harris
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx

Hi Lisa, Sarah,

Would you know how to include page numbers and names of the recipients up to each subsequent pages?

If you have a sample, I can do it myself.

Thanks,

John

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

November , 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

I am writing in relation to the Independent Electricity System Operator's ("IESO") request to the Ontario Financing Authority ("OFA") for a new revolving credit facility in an amount of up to CAD $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.* Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

The IESO and the Ministry of Energy ("ENERGY") confirm and the OFA acknowledges that at this time there are no amounts appropriated by the Legislature for payment to the IESO by ENERGY and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement") on an unsecured basis, the OFA requires ENERGY and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

... 2

- The OFA, the IESO, and ENERGY agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a “Loan Agreement”; together, the “Loan Agreements”):

    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and ENERGY agree that, in the event that the Legislature appropriates any funds for payment by ENERGY to the IESO for any purpose (“Appropriated Funds”), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the “intercept provision”). Terms relating to the intercept provision shall also be separately included in the Loan Agreements.

    - If the intercept provision is exercised, the IESO agrees that any notice from the OFA to the Minister of Finance in relation to its failure to make a payment that is due under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with ENERGY and seek ENERGY’s support in getting the IESO to pay the amounts owing to OFA within a reasonable cure period.

    - Upon receipt of notice from the OFA that the IESO has failed to make one or more payments owing to it in accordance with the provisions of a Loan Agreement, ENERGY will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO by ENERGY, including the intended purpose and expected timing of such payments to be made by ENERGY. Upon request, ENERGY will provide similar information to the Minister of Finance.

    - ENERGY acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment by ENERGY to the IESO, ENERGY will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance’s direction.

    - For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

... 3

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

Sincerely,

_____

Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

The undersigned hereby agree to the terms and conditions as set out in this letter agreement and have executed this letter agreement as of the date first noted above.

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

November , 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

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    - ENERGY acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment by ENERGY to the IESO, ENERGY will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance’s direction.

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Sincerely,

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Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

The undersigned hereby agree to the terms and conditions as set out in this letter agreement and have executed this letter agreement as of the date first noted above.

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

From: [Lisa Sterio]
To: [John Kim]
Cc: [William Tao]; [Sarah Hatch]
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyAbits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 1:50:09 PM

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buza
Cc: Lisa Sterio; Anthony Martinello; Michael Bolf; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buza
Cc: Sterio, Lisa (OFA); Anthony Martinello; Michael Bolf; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Sterio, Lisa (OFA); Anthony Martinello; Michael Bolf; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Sterio; Anthony Martinello; Michael Bolf; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; 'Michael Bolf' <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; Victor Buza' <Victor.Buza@ieso.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; 'Michael Bolf' <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: Victor Buza'; McKinlay, Tom (MAG)
Cc: Sterio, Lisa (OFA); Anthony Martinello'; 'Michael Bolf'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: Victor Buza' <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; 'Michael Bolf' <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

We anticipate circulating a version with the formating today.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; 'Michael Bolf' <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
120 Adelaide Street West, Toronto, ON M5H 1T1

Web: https://na01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fsdata-3D01-2D57C01-2D57C-2Dvictor.buza-2540ieso.ca-2D57Cbfa8f4f198bdef8dfbd208bf51ae9bb0-2D57C7cf55abd83f243c58f4bd3bea45bda8ff-2D57C0-26data-3DMMXd6cWwvG21WfMPIDkI2UoAkmrbrtuW6Uvh8U5LdIqE-2533D-26reserved-3D0-5Bieso.ca-5D-5Bbra01.safelinks.protection.outlook.com-2F%2Fdv%2FDeDcBAgNq2eSyDgC_YucLTZOaBAapRaQkKEqrMWFFHCr1_eykjn0FtQ%2F6c%2Fmv07464Cbbf6Y9BBhBpVR6JLnoH4FYxq7uOCdcA6H%2Fkm%2Bk2hU7u8fQW41Ijq+k0Sj5WYqdVTpWT7ytiIcC_1r_Y%26v%3Dpz_ENQqIwGZ8NpQXqmbLdWvRdzfFBKPrYTqGvw%2Fkdxtw-01%7C01%7Cvictor.buza%40ieso.ca%7Cae1e50c1f8942dd1f308d823085d07%7Cf55abd83f243c58f4bd3bea45bda8ff%7C0&data=%2FPqbaU4%2FRbzWVWYaKdhBE%7DGHDUSEcqEr1TdR2%3D&reserved=0>
<https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-2533A-2525F-2525Furldefense.proofpoint.com-2525Fv2-2525Furl-2525u-2533Dhttps-2533A-5F-5Fwww.ieso.ca-5F-2525d-2525IDocMFAp-2526c-2533DgG-5FYucLTZOaBAapRaQkKEqrMWFFHCr1-5Feykjn0FtQ-2526c-2533Dzv07464Cbbf6Y9BBhBpVR6JLnoH4FYxq7uOCdcA6H-2526s-2533DpqMIbnAPGKEZp2AjQkaAMA-2526d-3DAwIQaA&d=DwIGaQ&c=sdnEM9SRGFuMt5z5w3AQzHpVX-uFLhZXy4Yntv-fXt8&r=Ie_Mtqh1dCbAzyvyKVv-2526l-2526S-2526BIVCL1JqVLraAM-2533D-26reserved-3D0%2526d%3DDwMFAg%26c%3DgG_YucLTZOaBAapRaQkKEqrMWFFHCr1_eykjn0FtQ%2F6c%2Fmv07464Cbbf6Y9BBhBpVR6JLnoH4FYxq7uOCdcA6H%2Fkm%2BK6xuQ0mwHnz2HaVHaTc5vSfnL7b_jh_z6dFl1AIDsP%26s%3DMxpcaE3x_2aUs5HSEAv0mmvAdAXBGZ0U6xnfDDE%26e%3d&data=01%7C01%7Cvictor.buza%40ieso.ca%7Cbdb8691f48da49cd8b4208d51ae9bb0%7C7cf55abd83f243c58f4bd3bea45bda8ff%7C0&sdata=pLpaLOeBxqIBCz532HB1UH3JBEJOMc1pMN%2BgRzUT8P0%3D&reserved=0>> |
Twitter: IESO_Tweets|twitter.com/IESO_Tweets> <https://na01.safelinks.protection.outlook.com/?url=http%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-2533A-2525F-2525Furldefense.proofpoint.com-2525Fv2-2525Furl-2525u-2533Dhttps-2533A-5F-5Fwww.twitter.com-5Fieso-2525Fwww-2526d-2525IDocMFAp-2526c-2533DgG-5FYucLTZOaBAapRaQkKEqrMWFFHCr1-5Feykjn0FtQ-2526c-2533Dzv07464Cbbf6Y9BBhBpVR6JLnoH4FYxq7uOCdcA6H-2526s-2533DpqMIbnAPGKEZp2AjQkaAMA-2526d-3DAwIQaA&d=DwIGaQ&c=sdnEM9SRGFuMt5z5w3AQzHpVX-uFLhZXy4Yntv-fXt8&r=Ie_Mtqh1dCbAzyvyKVv-2526l-2526S-2526BIVCL1JqVLraAM-2533D-26reserved-3D0%2526d%3DDwMFAg%26c%3DgG_YucLTZOaBAapRaQkKEqrMWFFHCr1_eykjn0FtQ%2F6c%2Fmv07464Cbbf6Y9BBhBpVR6JLnoH4FYxq7uOCdcA6H%2Fkm%2BK6xuQ0mwHnz2HaVHaTc5vSfnL7b_jh_z6dFl1AIDsP%26s%3DMxpcaE3x_2aUs5HSEAv0mmvAdAXBGZ0U6xnfDDE%26e%3d&data=01%7C01%7Cvictor.buza%40ieso.ca%7Cbdb8691f48da49cd8b4208d51ae9bb0%7C7cf55abd83f243c58f4bd3bea45bda8ff%7C0&sdata=4HSkXGlcXVPcb%2Bfdv5IFuaHbWk%2BfnUEFuMFAg%3d&reserved=0>> | LinkedIn: IESO|linkedin.com/pub/ieso-electricity-system-operator/3/b55/b0a | Facebook: IESO|facebook.com/OntarioIESO

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Sterio; Anthony Martinello; Michael Bolf; He, Gavin (OFA)
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-0996

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From:	John Kim
To:	Sarah Harris; Lisa Stein; Gavin He
Cc:	Sarah Neville; William Tan
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Date:	Monday, October 30, 2017 1:26:01 PM

FYI, my understanding from Ron last week was that we are moving ahead with the letter agreement. I'm just waiting for IESO to give me the final go ahead.
John

From: Sarah Harris
Sent: Wednesday, October 25, 2017 2:44 PM
To: John Kim ; Lisa Stein ; Gavin He
Cc: Sarah Neville ; William Tan
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx

Hi John,
Looks good to us.
Thanks,
Sarah

From: John Kim
Sent: Wednesday, October 25, 2017 2:15 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx

Thanks Lisa.
Sarah H. and William, all good?
John

From: Lisa Stein
Sent: Wednesday, October 25, 2017 2:11 PM
To: John Kim <John.Kim@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx

This looks good. I only have one minor comment – I think there should be a "the" before Ontario Climate Change Solutions Deployment Corporation.
Lisa

From: John Kim
Sent: Wednesday, October 25, 2017 1:56 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-

rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Here you go. Sorry about that.
Pls. let us know if all OK and we will circulate to IESO and Energy.
Thanks,
John

From: John Kim
Sent: Wednesday, October 25, 2017 1:47 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Hi,
There was a version control issue. We will resend.
Thanks,
John

From: Lisa Stein
Sent: Wednesday, October 25, 2017 12:46 PM
To: Gavin He <Gavin.He@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Hi Gavin,
I've made a few tweaks to the letter; black-lined version attached. If you have no further questions, I don't need to review again.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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From:	Sarah Harris
To:	John Kim; Lisa Stein; Gavin He
Cc:	Sarah Neville; William Tan
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Date:	Wednesday, October 25, 2017 2:43:36 PM

Hi John,
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Sarah

From: John Kim
Sent: Wednesday, October 25, 2017 2:15 PM
To: Lisa Stein ; Gavin He
Cc: Sarah Neville ; Sarah Harris ; William Tan
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
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To: Gavin He <Gavin.He@ofina.on.ca>

Cc: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>

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Hi Gavin,

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Lisa N. Stein
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To:	Lisa Stein; Gavin He
Cc:	Sarah Neville; Sarah Harris; William Tan
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Date:	Wednesday, October 25, 2017 2:14:42 PM

Thanks Lisa.
Sarah H. and William, all good?
John

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Sent: Wednesday, October 25, 2017 2:11 PM
To: John Kim ; Gavin He
Cc: Sarah Neville ; Sarah Harris ; William Tan
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To:	John Kim; Gavin He
Cc:	Sarah Neville; Sarah Harris; William Tan
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Date:	Wednesday, October 25, 2017 2:11:20 PM

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From:	John Kim
To:	Lisa Stein; Gavin He
Cc:	Sarah Neville; Sarah Harris; William Tan
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Date:	Wednesday, October 25, 2017 1:55:50 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v3.docx

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Here you go. Sorry about that.
Pls. let us know if all OK and we will circulate to IESO and Energy.
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Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

October 25, 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

I am writing in relation to the Independent Electricity System Operator's ("IESO") request to the Ontario Financing Authority ("OFA") for a new revolving credit facility in an amount of up to CAD $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.* Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

The ~~OFA,~~ IESO and the Ministry of Energy ("ENERGY") confirm and the OFA acknowledge~~s and confirm~~ that at this time there are no amounts appropriated by the Legislature for payment to the IESO ~~[Energy to confirm]~~ by ENERGY and the intent of such intercept~~-~~ provision is that it would~~-~~ apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

Commented [ESP1]: Defer to Corporate?

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement") on an unsecured basis, the OFA requires ENERGY and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing ~~[~~$975 million~~]~~ credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and ENERGY agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):

    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and ENERGY agree that, in the event that the Legislature appropriates any funds for payment by ENERGY to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision"). Terms relating to the intercept provision shall also be separately included in the Loan Agreements.

    - If the intercept provision is exercised, the IESO agrees that any notice from the OFA to the Minister of Finance in relation to its failure to make a payment that is due under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with ENERGY and seek ENERGY's support in getting the IESO to pay the amounts owing to OFA within a reasonable cure period.

    - Upon receipt of notice from the OFA that the IESO has failed to make one or more payments owing to it in accordance with the provisions of a Loan Agreement, ENERGY will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO by ENERGY, including the intended purpose and expected timing of such payments to be made by ENERGY. Upon request, ENERGY will provide similar information to the Minister of Finance.

    - ENERGY acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment by ENERGY to the IESO, ENERGY will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

    - For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

Sincerely,

_____

Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

The undersigned hereby agree to the terms and conditions as set out in this letter agreement and have executed this letter agreement as of the date first noted above.

~~**Ontario Financing Authority**~~

~~by:_____~~

~~name: Ronald Kwan~~

~~title: Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA~~

~~c. Gadi Mayman, Chief Executive Officer, OFA~~

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

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Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

October 25, 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

I am writing in relation to the Independent Electricity System Operator's ("IESO") request to the Ontario Financing Authority ("OFA") for a new revolving credit facility in an amount of up to CAD $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.* Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

The ~~OFA,~~ IESO and the Ministry of Energy ("ENERGY") confirm and the OFA acknowledge~~s and confirm~~ that at this time there are no amounts appropriated by the Legislature for payment to the IESO ~~[Energy to confirm]~~ by ENERGY and the intent of such intercept~~-~~ provision is that it would~~-~~ apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

Commented [ESP1]: Defer to Corporate?

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement") on an unsecured basis, the OFA requires ENERGY and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing ~~[~~$975 million~~]~~ credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

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    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with ENERGY and seek ENERGY's support in getting the IESO to pay the amounts owing to OFA within a reasonable cure period.

    - Upon receipt of notice from the OFA that the IESO has failed to make one or more payments owing to it in accordance with the provisions of a Loan Agreement, ENERGY will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO by ENERGY, including the intended purpose and expected timing of such payments to be made by ENERGY. Upon request, ENERGY will provide similar information to the Minister of Finance.

    - ENERGY acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment by ENERGY to the IESO, ENERGY will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

    - For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

Sincerely,

_____

Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

The undersigned hereby agree to the terms and conditions as set out in this letter agreement and have executed this letter agreement as of the date first noted above.

~~**Ontario Financing Authority**~~

~~by:_____~~

~~name: Ronald Kwan~~

~~title: Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA~~

~~c. Gadi Mayman, Chief Executive Officer, OFA~~

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

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From:	John Kim
To:	Lisa Stein; Gavin He
Cc:	Sarah Neville; Sarah Harris; William Tan
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Date:	Wednesday, October 25, 2017 1:55:50 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v3.docx

---

Here you go. Sorry about that.
Pls. let us know if all OK and we will circulate to IESO and Energy.
Thanks,
John

From: John Kim
Sent: Wednesday, October 25, 2017 1:47 PM
To: Lisa Stein ; Gavin He
Cc: Sarah Neville ; Sarah Harris ; William Tan
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Hi,
There was a version control issue. We will resend.
Thanks,
John

From: Lisa Stein
Sent: Wednesday, October 25, 2017 12:46 PM
To: Gavin He <Gavin.He@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Hi Gavin,
I've made a few tweaks to the letter; black-lined version attached. If you have no further questions, I don't need to review again.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

Ontario Financing Authority
1 Dundas Street West
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Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

October 25, 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

I am writing in relation to the Independent Electricity System Operator's ("IESO") request to the Ontario Financing Authority ("OFA") for a new revolving credit facility in an amount of up to CAD $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.* Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

The ~~OFA,~~ IESO and the Ministry of Energy ("ENERGY") confirm and the OFA acknowledge~~s and confirm~~ that at this time there are no amounts appropriated by the Legislature for payment to the IESO ~~[Energy to confirm]~~ by ENERGY and the intent of such intercept~~-~~ provision is that it would~~-~~ apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

Commented [ESP1]: Defer to Corporate?

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement") on an unsecured basis, the OFA requires ENERGY and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing ~~[~~$975 million~~]~~ credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

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Sincerely,

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Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

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~~**Ontario Financing Authority**~~

~~by:_____~~

~~name: Ronald Kwan~~

~~title: Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA~~

~~c. Gadi Mayman, Chief Executive Officer, OFA~~

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

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Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

October 25, 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

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Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

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~~**Ontario Financing Authority**~~

~~by:_____~~

~~name: Ronald Kwan~~

~~title: Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA~~

~~c. Gadi Mayman, Chief Executive Officer, OFA~~

Ministry of Energy

by:_____

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title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

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title: Vice-President, Corporate Services and Chief Financial Officer, IESO

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From:	John Kim
To:	Lisa Stein; Gavin He
Cc:	Sarah Neville; Sarah Harris; William Tan
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx
Date:	Wednesday, October 25, 2017 1:47:16 PM

Hi,

There was a version control issue. We will resend.

Thanks,

John

From: Lisa Stein

Sent: Wednesday, October 25, 2017 12:46 PM

To: Gavin He

Cc: John Kim ; Sarah Neville ; Sarah Harris ; William Tan

Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 251.docx

Hi Gavin,

I've made a few tweaks to the letter; black-lined version attached. If you have no further questions, I don't need to review again.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

From:	Gavin He
To:	Lisa Stein
Cc:	John Kim; Sarah Neville; Sarah Harris; William Tan
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date:	Wednesday, October 25, 2017 11:03:00 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25.docx

---

Hi Lisa,

We have put the letter in a letter agreement format as you suggested below. Could you please take a look and let us know if this is the right format?

Thanks,

Gavin He

From: Lisa Stein
Sent: Wednesday, October 25, 2017 9:35 AM
To: John Kim
Cc: Sarah Neville ; Sarah Harris ; William Tan ; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Please send me a final draft for review

From: Lisa Stein
Sent: Wednesday, October 25, 2017 9:34 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

You just need to add letter head and signature titles and lines

---

From: John Kim
Sent: Wednesday, October 25, 2017 9:31 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Lisa.

Could you help us put this in a letter agreement format, with signing lines, etc? We can do the letter head, etc.

From: Lisa Stein
Sent: Wednesday, October 25, 2017 9:25 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

I am fine with #1 below. In any event, as previously discussed, OCCSDC is an agent of MOECC, not Energy.

From: John Kim
Sent: Tuesday, October 24, 2017 5:42 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We can push back saying – we are already saying payments that are not appropriations of Energy is already ruled out. But then there is a risk of delay. If we are specifically ruling out this Ontario Climate Change solutions Deployment Corp. that is a known exemption, is it a problem to include?

From: John Kim
Sent: Tuesday, October 24, 2017 5:25 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Lisa,

Are we able to work with the #1 below?

Thanks,

John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph – please amend this para to read as follows:

   > For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.
3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

October 25, 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

I am writing in relation to the Independent Electricity System Operator's (IESO) request to the Ontario Financing Authority (OFA) for a new revolving credit facility in an amount of up to $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.* Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

For further certainty, the OFA and the Ministry of Energy ("ENERGY") acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement") on an unsecured basis, the OFA requires ENERGY and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.
These terms and conditions shall also apply to the IESO's existing [$975 million] credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and ENERGY agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or

the Original Credit Facility Agreement (each a “Loan Agreement”; together, the “Loan Agreements”):

- Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and ENERGY agree that, in the event that the Legislature appropriates any funds for payment by ENERGY to the IESO for any purpose (“Appropriated Funds”), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the “intercept provision”). Terms relating to the intercept provision shall also be separately included in the Loan Agreements.

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This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

Ontario Financing Authority

by:_____

name: Ronald Kwan

title: Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

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c. Gadi Mayman, Chief Executive Officer, OFA

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

From:	Gavin He
To:	Lisa Stein
Cc:	John Kim; Sarah Neville; Sarah Harris; William Tan
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date:	Wednesday, October 25, 2017 11:03:00 AM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25.docx

---

Hi Lisa,

We have put the letter in a letter agreement format as you suggested below. Could you please take a look and let us know if this is the right format?

Thanks,

Gavin He

From: Lisa Stein
Sent: Wednesday, October 25, 2017 9:35 AM
To: John Kim
Cc: Sarah Neville ; Sarah Harris ; William Tan ; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Please send me a final draft for review

From: Lisa Stein
Sent: Wednesday, October 25, 2017 9:34 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

You just need to add letter head and signature titles and lines

---

From: John Kim
Sent: Wednesday, October 25, 2017 9:31 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Lisa.

Could you help us put this in a letter agreement format, with signing lines, etc? We can do the letter head, etc.

From: Lisa Stein
Sent: Wednesday, October 25, 2017 9:25 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

I am fine with #1 below. In any event, as previously discussed, OCCSDC is an agent of MOECC, not Energy.

From: John Kim
Sent: Tuesday, October 24, 2017 5:42 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We can push back saying – we are already saying payments that are not appropriations of Energy is already ruled out. But then there is a risk of delay. If we are specifically ruling out this Ontario Climate Change solutions Deployment Corp. that is a known exemption, is it a problem to include?

From: John Kim
Sent: Tuesday, October 24, 2017 5:25 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Lisa,

Are we able to work with the #1 below?

Thanks,

John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph – please amend this para to read as follows:

   > For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.
3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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Sent: October 24, 2017 4:11 PM
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Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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October 25, 2017

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Assistant Deputy Minister, Ministry of Energy
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c. Gadi Mayman, Chief Executive Officer, OFA

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name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

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Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

From:	John Kim
To:	Lisa Stein; Sarah Harris
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx
Date:	Wednesday, November 01, 2017 12:17:52 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v5.docx

---

Hope this works….

From: John Kim
Sent: Wednesday, November 01, 2017 12:10 PM
To: Lisa Stein ; Sarah Harris
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx

Hi Lisa, Sarah,

Would you know how to include page numbers and names of the recipients up to each subsequent pages?

If you have a sample, I can do it myself.

Thanks,

John

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A 1Y7

(416) 325-8000

November , 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

I am writing in relation to the Independent Electricity System Operator's ("IESO") request to the Ontario Financing Authority ("OFA") for a new revolving credit facility in an amount of up to CAD $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.* Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

The IESO and the Ministry of Energy ("ENERGY") confirm and the OFA acknowledges that at this time there are no amounts appropriated by the Legislature for payment to the IESO by ENERGY and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement") on an unsecured basis, the OFA requires ENERGY and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

... 2

- The OFA, the IESO, and ENERGY agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a “Loan Agreement”; together, the “Loan Agreements”):

    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and ENERGY agree that, in the event that the Legislature appropriates any funds for payment by ENERGY to the IESO for any purpose (“Appropriated Funds”), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the “intercept provision”). Terms relating to the intercept provision shall also be separately included in the Loan Agreements.

    - If the intercept provision is exercised, the IESO agrees that any notice from the OFA to the Minister of Finance in relation to its failure to make a payment that is due under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with ENERGY and seek ENERGY’s support in getting the IESO to pay the amounts owing to OFA within a reasonable cure period.

    - Upon receipt of notice from the OFA that the IESO has failed to make one or more payments owing to it in accordance with the provisions of a Loan Agreement, ENERGY will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO by ENERGY, including the intended purpose and expected timing of such payments to be made by ENERGY. Upon request, ENERGY will provide similar information to the Minister of Finance.

    - ENERGY acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment by ENERGY to the IESO, ENERGY will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance’s direction.

    - For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

... 3

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

Sincerely,

_____

Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

The undersigned hereby agree to the terms and conditions as set out in this letter agreement and have executed this letter agreement as of the date first noted above.

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

Ontario Financing Authority
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title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

From:	Lisa Stein
To:	John Kim
Cc:	Sarah Neville; Sarah Harris; William Tan; Gavin He
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date:	Wednesday, October 25, 2017 9:34:38 AM

Please send me a final draft for review

From: Lisa Stein
Sent: Wednesday, October 25, 2017 9:34 AM
To: John Kim
Cc: Sarah Neville ; Sarah Harris ; William Tan ; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

You just need to add letter head and signature titles and lines

From: John Kim
Sent: Wednesday, October 25, 2017 9:31 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Lisa.

Could you help us put this in a letter agreement format, with signing lines, etc? We can do the letter head, etc.

From: Lisa Stein
Sent: Wednesday, October 25, 2017 9:25 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
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I am fine with #1 below. In any event, as previously discussed, OCCSDC is an agent of MOECC, not Energy.

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Sent: Tuesday, October 24, 2017 5:42 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
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Hi Lisa,

Are we able to work with the #1 below?

Thanks,

John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
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3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

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Victor Buza | Senior Counsel
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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
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Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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Date:	Wednesday, October 25, 2017 9:33:59 AM

You just need to add letter head and signature titles and lines

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Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date:	Wednesday, October 25, 2017 9:30:55 AM

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Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date:	Wednesday, October 25, 2017 9:25:12 AM

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To: Lisa Stein
Cc: Sarah Neville ; Sarah Harris ; William Tan ; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We can push back saying – we are already saying payments that are not appropriations of Energy is already ruled out. But then there is a risk of delay. If we are specifically ruling out this Ontario Climate Change solutions Deployment Corp. that is a known exemption, is it a problem to include?

From: John Kim
Sent: Tuesday, October 24, 2017 5:25 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Lisa,
Are we able to work with the #1 below?
Thanks,
John

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Boll <Michael.Boll@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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1. The changes made are acceptable except for those made to the penultimate paragraph – please amend this para to read as follows:

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2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Boll; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date:	Tuesday, October 24, 2017 5:41:42 PM

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Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	John Kim
To:	Lisa Stein
Cc:	Sarah Neville; Sarah Harris; William Tan; Gavin He; Anna Strathy
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date:	Tuesday, October 24, 2017 4:05:09 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v4.docx

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Copying Anna on this email as it should be reviewed by Gadi as well.

Thanks,

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From: Lisa Stein

Sent: Tuesday, October 24, 2017 2:31 PM

To: John Kim

Cc: Sarah Neville ; Sarah Harris ; William Tan ; Gavin He

Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Edits as requested. I've removed Ron's edits as well.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an~~The~~ intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

The ~~OFA,~~ IESO and the Ministry of Energy ("ENERGY") confirm and the OFA acknowledges ~~and confirm~~ that at this time there are no amounts appropriated by the Legislature for payment to the IESO [Energy to confirm] by ENERGY and the intent of such intercept~~-~~ provision is that it would~~-~~ apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

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These terms and conditions shall also apply to the IESO's existing [$975 million] credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

- The OFA, the IESO, and ENERGY agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):
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To:	Lisa Stein
Cc:	Sarah Neville; Sarah Harris; William Tan; Gavin He; Anna Strathy
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date:	Tuesday, October 24, 2017 4:05:09 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v4.docx

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From:	Anna Strathy
To:	John Kim; Lisa Stein
Cc:	Sarah Neville; Sarah Harris
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date:	Tuesday, September 26, 2017 9:26:10 AM

That's great. Thanks John.

From: John Kim
Sent: Monday, September 25, 2017 4:37 PM
To: Anna Strathy ; Lisa Stein
Cc: Sarah Neville ; Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Anna,
Heard back from Tom McKinlay at Energy Legal. It was an email issue as he is now back at MAG but still working on FHP for Energy. I touched base with him on the phone and he will circle back with his clients, as well as IESO counterparts.
Sounded like he sees it as the cleanest path forward. So fingers crossed.
Thanks,

John

From: Anna Strathy
Sent: Monday, September 25, 2017 11:50 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Thanks John. Gadi is in NYC until Wednesday. Happy for Ron to escalate this to get the ball rolling. If you could let me know where things stand at the end of today, I'll include an update in my end of day email to Gadi.
Thanks, Anna

From: John Kim
Sent: Monday, September 25, 2017 11:43 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Anna,
No update so far which isn't surprising. I think a bit of escalating might be helpful so I will chat with Ron today. You may want to give Gadi an update as well.
At least on the phone, IESO staff were receptive.
John

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Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi John, Lisa,

Any update on this letter? Has IESO reviewed?
Thanks, Anna

From: Sarah Neville
Sent: Friday, September 22, 2017 5:00 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi All – As far as I am aware there were no developments on this today. I will be out of the office on Monday (back Tuesday), but Lisa will be back on Monday to handle this for Legal (although working from home so please reach her through email or messenger).
Have a good weekend everyone.
Sarah

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Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

I'm fine with it too. I will also be working from home tomorrow. It must that kind of Friday.
John – would you kindly send draft directly to Anthony (and Victor?) for their consideration?
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Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

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Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Sarah and Sarah,
Unfortunately, we haven't heard back from Energy Legal thus far. My suggestion, if OK with you, is that we share the draft with IESO staff as well.
I have some family obligations that came up for tomorrow so won't be in the office but will check my emails for this item.
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Hi John – tweaked the acknowledgement to make it mutual as between all and to narrow the reference to appropriations so that it is clear it is not any MOE appropriation but only that destined for the IESO.
Sarah

From:	Anna Strathy
To:	John Kim; Lisa Stein
Cc:	Sarah Neville; Sarah Harris
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date:	Tuesday, September 26, 2017 9:26:10 AM

That's great. Thanks John.

From: John Kim
Sent: Monday, September 25, 2017 4:37 PM
To: Anna Strathy ; Lisa Stein
Cc: Sarah Neville ; Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Anna,
Heard back from Tom McKinlay at Energy Legal. It was an email issue as he is now back at MAG but still working on FHP for Energy. I touched base with him on the phone and he will circle back with his clients, as well as IESO counterparts.
Sounded like he sees it as the cleanest path forward. So fingers crossed.
Thanks,

John

From: Anna Strathy
Sent: Monday, September 25, 2017 11:50 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

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Cc: Sarah Neville; Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date: Monday, September 25, 2017 4:37:24 PM

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Sarah

From: John Kim
To: Sarah Harris
Subject: Re: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 2:07:30 PM

just tried calling you. 416-212-6996

From: Sarah Harris
Sent: Tuesday, October 31, 2017 2:09 PM
To: John Kim
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

That's fine. I'm working from home – cell 647 278 9718.

From: John Kim
Sent: Tuesday, October 31, 2017 2:08 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tao <William.Tao@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Lisa Sterio <Lisa.Sterio@ofina.on.ca>
Subject: Re: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

I am in a meeting now, so will call you when I come out

Sent from my iPad

On Oct 31, 2017, at 2:07 PM, Sarah Harris <Sarah.Harris@ofina.on.ca> wrote:

> Hi John,
>
> I will give you a call.
>
> Sarah
>
> -----Original Message-----
> From: Lisa Sterio
> Sent: Tuesday, October 31, 2017 2:00 PM
> To: John Kim <John.Kim@ofina.on.ca>
> Cc: William Tao <William.Tao@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> The new FHP credit facility agreement will be executed and effective prior to AA#10. AA#10 will be effective November 22, 2017 (to allow it to be executed at the same time as the other agreements). I have had discussions about this matter with Sarah and Will, so I will defer to them to explain the operational details.
>
> -----Original Message-----
> From: John Kim
> Sent: Tuesday, October 31, 2017 1:58 PM
> To: Lisa Sterio <Lisa.Sterio@ofina.on.ca>
> Cc: William Tao <William.Tao@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi Lisa,
>
> I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw.....what are your thoughts then?
>
> The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.
>
> John
>
> -----Original Message-----
> From: Lisa Sterio
> Sent: Tuesday, October 31, 2017 1:55 PM
> To: John Kim <John.Kim@ofina.on.ca>
> Cc: William Tao <William.Tao@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> No - the amount of the existing facility needs to be reduced first.
>
> -----Original Message-----
> From: John Kim
> Sent: Tuesday, October 31, 2017 1:54 PM
> To: Lisa Sterio <Lisa.Sterio@ofina.on.ca>
> Cc: William Tao <William.Tao@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Why November 22?
>
> Wouldn't it be effective right away?
>
> -----Original Message-----
> From: Lisa Sterio
> Sent: Tuesday, October 31, 2017 1:53 PM
> To: John Kim <John.Kim@ofina.on.ca>
> Cc: William Tao <William.Tao@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John,
>
> Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.
>
> Thank you,
>
> Lisa
>
> -----Original Message-----
> From: John Kim
> Sent: Tuesday, October 31, 2017 1:49 PM
> To: 'Victor Buzz' <Victor.Buzz@ofina.on.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ofina.on.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinley (MAG) <Tom.McKinley@ontario.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.
>
> Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?
>
> -----Original Message-----
> From: Victor Buzz [mailto:Victor.Buzz@ofina.on.ca]
> Sent: Tuesday, October 31, 2017 1:42 PM
> To: John Kim <John.Kim@ofina.on.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ofina.on.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinley (MAG) <Tom.McKinley@ontario.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
> Victor
>
> -----Original Message-----
> From: John Kim [mailto:John.Kim@ofina.on.ca]
> Sent: October 31, 2017 12:57 PM
> To: Victor Buzz
> Cc: Lisa Sterio; Anthony Martinello; Michael Bull; Gavin He; Tom McKinley (MAG)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi Victor,
>
> While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.
>
> John
>
> -----Original Message-----
> From: Victor Buzz [mailto:Victor.Buzz@ofina.on.ca]
> Sent: Tuesday, October 31, 2017 12:09 PM
> To: John Kim <John.Kim@ofina.on.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ofina.on.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinley (MAG) <Tom.McKinley@ontario.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
> Victor
>
> -----Original Message-----
> From: McKinley, Tom (MAG) [mailto:Tom.McKinley@ontario.ca]
> Sent: October 30, 2017 11:48 AM
> To: Kim, John (OFA); Victor Buzz
> Cc: Sterio, Lisa (OFA); Anthony Martinello; Michael Bull; He, Gavin (OFA)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.
>
> Tom
> _____
> From: John Kim [John.Kim@ofina.on.ca]
> Sent: Monday, October 30, 2017 11:13 AM
> To: Victor Buzz; McKinley, Tom (MAG)
> Cc: Sterio, Lisa (OFA); Anthony Martinello; Michael Bull; He, Gavin (OFA)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Thanks Victor. On #2, OFA's internal discussions are coming to an end in my understanding.
>
> Tom, just wondering how things are on your side.
>
> On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.
>
> From: Victor Buzz [mailto:Victor.Buzz@ofina.on.ca]
> Sent: Monday, October 30, 2017 11:07 AM
> To: John Kim <John.Kim@ofina.on.ca>; Tom McKinley (MAG) <Tom.McKinley@ontario.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ofina.on.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John. I believe Anthony will be teaching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:
>
> (i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;
>
> (ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;
>
> (iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
> Victor
>
> From: John Kim [mailto:John.Kim@ofina.on.ca]
> Sent: October 30, 2017 8:30 AM
> To: Tom McKinley (MAG); Victor Buzz
> Cc: Lisa Sterio; Anthony Martinello; Michael Bull; Gavin He
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi all,
>
> I am anticipating on our side being ready today to get the signature.
>
> Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.
>
> Thanks,
>
> John
>
> From: John Kim
> Sent: Wednesday, October 25, 2017 5:23 PM
> To: Tom McKinley (MAG) <Tom.McKinley@ontario.ca>; 'Victor Buzz' <Victor.Buzz@ofina.on.ca>; 'Victor Buzz' <Victor.Buzz@ofina.on.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ofina.on.ca>; Michael Bull' <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
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>
> Ok, thanks Tom.
>
> I do anticipate some additional discussion on our side as well between Ron and Gadi.
>
> John
>
> From: McKinley, Tom (MAG) [mailto:Tom.McKinley@ontario.ca]
> Sent: Wednesday, October 25, 2017 4:01 PM
> To: John Kim <John.Kim@ofina.on.ca>; 'Victor Buzz' <Victor.Buzz@ofina.on.ca>; 'Victor Buzz' <Victor.Buzz@ofina.on.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ofina.on.ca>; Michael Bull' <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> No, there isn't a 'the'.
>
> I'll send this version up and let you know if we have any concerns.
>
> Tom.
>
> From: John Kim [mailto:John.Kim@ofina.on.ca]
> Sent: October 25, 2017 2:48 PM
> To: 'Victor Buzz'; McKinley, Tom (MAG)
> Cc: Sterio, Lisa (OFA); 'Anthony Martinello'; 'Michael Bull'; He, Gavin (OFA)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi,
>
> Pls. have a look at the latest and let us know if you have any comments.
>
> Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?
>
> Could we all have a final look and consult in respective shops?
>
> Thanks,
>
> John
>
> From: John Kim
> Sent: Wednesday, October 25, 2017 10:25 AM
> To: 'Victor Buzz' <Victor.Buzz@ieso.ca>; Tom McKinley (MAG) <Tom.McKinley@ontario.ca>; mailto:Tom.McKinley@ontario.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; mailto:Lisa.Sterio@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bull' <Michael.Bull@ieso.ca>; mailto:Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; mailto:Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Thanks Victor.
>
> We anticipate circulating a version with the formatting today.
>
> From: Victor Buzz [mailto:Victor.Buzz@ieso.ca]
> Sent: Tuesday, October 24, 2017 5:10 PM
> To: John Kim <John.Kim@ofina.on.ca>; mailto:John.Kim@ofina.on.ca>; Tom McKinley (MAG) <Tom.McKinley@ontario.ca>; mailto:Tom.McKinley@ontario.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; mailto:Lisa.Sterio@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bull' <Michael.Bull@ieso.ca>; mailto:Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; mailto:Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John.
>
> 1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:
>
> For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.
>
> 2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.
>
> 3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.
>
> Victor

Victor Buzz | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6879
1600-120 Adelaide Street West, Toronto, ON M5H 1T1

Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Feddelivery.ieso@ieso.ca&data=02%7C01%7CVictor.Buzz%40ieso.ca%7C2ba6c8f2f1fc4b3c7b3908d51e6f6b0c%7C7cd5ca8e3f2f4c5e8f4ef4bbe45ba6d8%7C0%7C0%7C636450435620172731&sdata=Ty%2FqIuSvUJ%2BQ%2BBdwuFGhuhB%2FOBqdqpvcXoTPqIuEvUY%3D&reserved=0>; https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Feddelivery.ieso@ieso.ca%2Fwp-login.php%3Faction%3Dpostpass1&data=02%7C01%7CVictor.Buzz%40ieso.ca%7C2ba6c8f2f1fc4b3c7b3908d51e6f6b0c%7C7cd5ca8e3f2f4c5e8f4ef4bbe45ba6d8%7C0%7C0%7C636450435620172731&sdata=Ty%2FqIuSvUJ%2BQ%2BBdwuFGhuhB%2FOBqdqpvcXoTPqIuEvUY%3D&reserved=0>; https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Feddelivery.ieso@ieso.ca%2Fwp-login.php%3Faction%3Dpostpass1&data=02%7C01%7CVictor.Buzz%40ieso.ca%7C2ba6c8f2f1fc4b3c7b3908d51e6f6b0c%7C7cd5ca8e3f2f4c5e8f4ef4bbe45ba6d8%7C0%7C0%7C636450435620172731&sdata=Ty%2FqIuSvUJ%2BQ%2BBdwuFGhuhB%2FOBqdqpvcXoTPqIuEvUY%3D&reserved=0>
Twitter: IESO_Powered twitter.com/#!/url1.safelinks.protection.outlook.com/?url=https%3A%2F%2Ftwitter.com%2FIESO_Powered&data=02%7C01%7CVictor.Buzz%40ieso.ca%7C2ba6c8f2f1fc4b3c7b3908d51e6f6b0c%7C7cd5ca8e3f2f4c5e8f4ef4bbe45ba6d8%7C0%7C0%7C636450435620172731&sdata=Ty%2FqIuSvUJ%2BQ%2BBdwuFGhuhB%2FOBqdqpvcXoTPqIuEvUY%3D&reserved=0>

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinley (MAG); Victor Buzz
Cc: Lisa Sterio; Anthony Martinello; Michael Bull; Gavin He

Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: John.Kim@ofina.on.ca <mailto:John.Kim@ofina.on.ca>
Ph: 416-212-6966

_____

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This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

From: John Kim
To: Anna Strathy; Lisa Stein
Cc: Sarah Neville; Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date: Monday, September 25, 2017 4:37:24 PM

Hi Anna,
Heard back from Tom McKinlay at Energy Legal. It was an email issue as he is now back at MAG but still working on FHP for Energy. I touched base with him on the phone and he will circle back with his clients, as well as IESO counterparts.
Sounded like he sees it as the cleanest path forward. So fingers crossed.
Thanks,

John

From: Anna Strathy
Sent: Monday, September 25, 2017 11:50 AM
To: John Kim ; Lisa Stein
Cc: Sarah Neville ; Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Thanks John. Gadi is in NYC until Wednesday. Happy for Ron to escalate this to get the ball rolling. If you could let me know where things stand at the end of today, I'll include an update in my end of day email to Gadi.
Thanks, Anna

From: John Kim
Sent: Monday, September 25, 2017 11:43 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Hi Anna,
No update so far which isn't surprising. I think a bit of escalating might be helpful so I will chat with Ron today. You may want to give Gadi an update as well.
At least on the phone, IESO staff were receptive.
John

From: Anna Strathy
Sent: Monday, September 25, 2017 11:38 AM
To: John Kim <John.Kim@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Hi John, Lisa,
Any update on this letter? Has IESO reviewed?
Thanks, Anna

From: Sarah Neville
Sent: Friday, September 22, 2017 5:00 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>

Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi All – As far as I am aware there were no developments on this today. I will be out of the office on Monday (back Tuesday), but Lisa will be back on Monday to handle this for Legal (although working from home so please reach her through email or messenger).

Have a good weekend everyone.

Sarah

From: Sarah Harris
Sent: Thursday, September 21, 2017 4:02 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

I'm fine with it too. I will also be working from home tomorrow. It must that kind of Friday.

John – would you kindly send draft directly to Anthony (and Victor?) for their consideration?

Sarah

From: Sarah Neville
Sent: Thursday, September 21, 2017 3:51 PM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Sounds good to me. I will be online all day but working from home. Hope all is well with your family.

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Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Sarah and Sarah,

Unfortunately, we haven't heard back from Energy Legal thus far. My suggestion, if OK with you, is that we share the draft with IESO staff as well.

I have some family obligations that came up for tomorrow so won't be in the office but will check my emails for this item.

Thanks,

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From: Anna Strathy
To: John Kim; Lisa Stein
Cc: Sarah Neville; Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date: Monday, September 25, 2017 11:50:28 AM

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Cc:	Sarah Neville; Sarah Harris
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date:	Monday, September 25, 2017 11:43:18 AM

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Cc: Sarah Neville; Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date: Monday, September 25, 2017 11:38:27 AM

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To: Sarah Harris; John Kim
Cc: Anna Strathy; Lisa Stein
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date: Friday, September 22, 2017 5:00:04 PM

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From:	John Kim
To:	Sarah Harris; Sarah Neville
Cc:	Anna Strathy; Lisa Stein
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date:	Thursday, September 21, 2017 4:06:41 PM

Thanks, all good on my side. I am not 100% on sharing the note so will share the draft letter agreement for now.
John

From: Sarah Harris
Sent: Thursday, September 21, 2017 4:02 PM
To: Sarah Neville ; John Kim
Cc: Anna Strathy ; Lisa Stein
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
I'm fine with it too. I will also be working from home tomorrow. It must that kind of Friday.
John – would you kindly send draft directly to Anthony (and Victor?) for their consideration?
Sarah

From: Sarah Neville
Sent: Thursday, September 21, 2017 3:51 PM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Sounds good to me. I will be online all day but working from home. Hope all is well with your family.
Sarah

From: John Kim
Sent: Thursday, September 21, 2017 3:48 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Hi Sarah and Sarah,
Unfortunately, we haven't heard back from Energy Legal thus far. My suggestion, if OK with you, is that we share the draft with IESO staff as well.
I have some family obligations that came up for tomorrow so won't be in the office but will check my emails for this item.
Thanks,
John

From: Sarah Neville
Sent: Thursday, September 21, 2017 11:38 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Hi John – tweaked the acknowledgement to make it mutual as between all and to narrow the reference to appropriations so that it is clear it is not any MOE appropriation but only that destined for the IESO.
Sarah

From:	Sarah Harris
To:	Sarah Neville; John Kim
Cc:	Anna Strathy; Lisa Stein
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date:	Thursday, September 21, 2017 4:01:33 PM

I'm fine with it too. I will also be working from home tomorrow. It must that kind of Friday.
John – would you kindly send draft directly to Anthony (and Victor?) for their consideration?
Sarah

From: Sarah Neville
Sent: Thursday, September 21, 2017 3:51 PM
To: John Kim ; Sarah Harris
Cc: Anna Strathy ; Lisa Stein
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
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Sent: Thursday, September 21, 2017 3:48 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Hi Sarah and Sarah,
Unfortunately, we haven't heard back from Energy Legal thus far. My suggestion, if OK with you, is that we share the draft with IESO staff as well.
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Thanks,
John

From: Sarah Neville
Sent: Thursday, September 21, 2017 11:38 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
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Sarah

From:	Sarah Neville
To:	John Kim; Sarah Harris
Cc:	Anna Strathy; Lisa Stein
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date:	Thursday, September 21, 2017 3:50:42 PM

Sounds good to me. I will be online all day but working from home. Hope all is well with your family.
Sarah

From: John Kim
Sent: Thursday, September 21, 2017 3:48 PM
To: Sarah Neville ; Sarah Harris
Cc: Anna Strathy ; Lisa Stein
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi Sarah and Sarah,
Unfortunately, we haven't heard back from Energy Legal thus far. My suggestion, if OK with you, is that we share the draft with IESO staff as well.
I have some family obligations that came up for tomorrow so won't be in the office but will check my emails for this item.
Thanks,
John

From: Sarah Neville
Sent: Thursday, September 21, 2017 11:38 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx

Hi John – tweaked the acknowledgement to make it mutual as between all and to narrow the reference to appropriations so that it is clear it is not any MOE appropriation but only that destined for the IESO.
Sarah

From: John Kim
To: Sarah Neville; Sarah Harris
Cc: Anna Strathy; Lisa Stein
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Date: Thursday, September 21, 2017 3:48:13 PM

Hi Sarah and Sarah,
Unfortunately, we haven't heard back from Energy Legal thus far. My suggestion, if OK with you, is that we share the draft with IESO staff as well.
I have some family obligations that came up for tomorrow so won't be in the office but will check my emails for this item.
Thanks,
John

From: Sarah Neville
Sent: Thursday, September 21, 2017 11:38 AM
To: John Kim ; Sarah Harris
Cc: Anna Strathy ; Lisa Stein
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup3.docx
Hi John – tweaked the acknowledgement to make it mutual as between all and to narrow the reference to appropriations so that it is clear it is not any MOE appropriation but only that destined for the IESO.
Sarah

From: William Tan
To: Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx
Date: Wednesday, September 20, 2017 12:34:27 PM
Attachments: Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx

---

Hello Sarah,
I've added the date, regarding line and signature block at the bottom.
Missing signature block for MOE.
I suggest Times New Roman font.
The letter looks fine to me.

From: Sarah Harris
Sent: Wednesday, September 20, 2017 11:36 AM
To: William Tan
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx
Hi Will,
Please review. John will add in any language on pleasantries.
Sarah

From: Lisa Stein
Sent: Wednesday, September 20, 2017 9:41 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx
Good morning John and Sarah,
Further to our meeting yesterday, please see the attached draft points to be included in a letter agreement from the OFA, addressed to both the IESO and MOE.
Please add in the appropriate details, including addressees and signature lines, and send it back to legal for final review. Happy to discuss.
Thanks,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

September 20, 2017

Re: IESO Credit Requirements for the 2017 Fair Hydro Plan

Formatted: Space After: 0 pt

I am writing in relation to the IESO's request for a new revolving credit facility in an amount of up to $2 billion from the OFA (the "New Credit Facility") to support its role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

Pursuant to the OFA Lending Policy, the OFA is required to include an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct amounts equal to any amounts the public body fails to pay the OFA under a loan agreement from money appropriated by the Legislature for payment to the public body.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement. These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

As such, the OFA, the IESO, and MOE agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):

- Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and MOE agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance is entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").

- Under the intercept provision, which shall be included in the Loan Agreements, the IESO also agrees that any notice from the OFA to the Minister of Finance in relation to its failure to pay under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

- Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with MOE and seek MOE's support in getting the IESO to pay the amounts owing within a reasonable cure period.

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, MOE will provide the OFA

with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and expected timing of such payments to be made by MOE. Upon request, MOE will provide similar information to the Minister of Finance.

- MOE acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, MOE will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

DRAFT

From: John Kim
To: Sarah Harris
Subject: Re: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 2:07:30 PM

just tried calling you. 416-212-6996

From: Sarah Harris
Sent: Tuesday, October 31, 2017 2:09 PM
To: John Kim
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

That's fine. I'm working from home – cell 647 278 9718.

From: John Kim
Sent: Tuesday, October 31, 2017 2:08 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tao <William.Tao@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Lisa Sterio <Lisa.Sterio@ofina.on.ca>
Subject: Re: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

I am in a meeting now, so will call you when I come out

Sent from my iPad

On Oct 31, 2017, at 2:07 PM, Sarah Harris <Sarah.Harris@ofina.on.ca> wrote:

> Hi John,
>
> I will give you a call.
>
> Sarah
>
> -----Original Message-----
> From: Lisa Sterio
> Sent: Tuesday, October 31, 2017 2:00 PM
> To: John Kim <John.Kim@ofina.on.ca>
> Cc: William Tao <William.Tao@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> The new FHP credit facility agreement will be executed and effective prior to AA#10. AA#10 will be effective November 22, 2017 (to allow it to be executed at the same time as the other agreements). I have had discussions about this matter with Sarah and Will, so I will defer to them to explain the operational details.
>
> -----Original Message-----
> From: John Kim
> Sent: Tuesday, October 31, 2017 1:58 PM
> To: Lisa Sterio <Lisa.Sterio@ofina.on.ca>
> Cc: William Tao <William.Tao@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi Lisa,
>
> I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw.....what are your thoughts then?
>
> The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.
>
> John
>
> -----Original Message-----
> From: Lisa Sterio
> Sent: Tuesday, October 31, 2017 1:55 PM
> To: John Kim <John.Kim@ofina.on.ca>
> Cc: William Tao <William.Tao@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> No - the amount of the existing facility needs to be reduced first.
>
> -----Original Message-----
> From: John Kim
> Sent: Tuesday, October 31, 2017 1:54 PM
> To: Lisa Sterio <Lisa.Sterio@ofina.on.ca>
> Cc: William Tao <William.Tao@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Why November 22?
>
> Wouldn't it be effective right away?
>
> -----Original Message-----
> From: Lisa Sterio
> Sent: Tuesday, October 31, 2017 1:53 PM
> To: John Kim <John.Kim@ofina.on.ca>
> Cc: William Tao <William.Tao@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John,
>
> Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.
>
> Thank you,
>
> Lisa
>
> -----Original Message-----
> From: John Kim
> Sent: Tuesday, October 31, 2017 1:49 PM
> To: 'Victor Buzz' <Victor.Buzz@ofina.on.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ofina.on.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinley (MAG) <Tom.McKinley@ontario.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.
>
> Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?
>
> -----Original Message-----
> From: Victor Buzz [mailto:Victor.Buzz@ofina.on.ca]
> Sent: Tuesday, October 31, 2017 1:42 PM
> To: John Kim <John.Kim@ofina.on.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ofina.on.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinley (MAG) <Tom.McKinley@ontario.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
> Victor
>
> -----Original Message-----
> From: John Kim [mailto:John.Kim@ofina.on.ca]
> Sent: October 31, 2017 12:57 PM
> To: Victor Buzz
> Cc: Lisa Sterio; Anthony Martinello; Michael Bull; Gavin He; Tom McKinley (MAG)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi Victor,
>
> While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.
>
> John
>
> -----Original Message-----
> From: Victor Buzz [mailto:Victor.Buzz@ofina.on.ca]
> Sent: Tuesday, October 31, 2017 12:09 PM
> To: John Kim <John.Kim@ofina.on.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ofina.on.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinley (MAG) <Tom.McKinley@ontario.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
> Victor
>
> -----Original Message-----
> From: McKinley, Tom (MAG) [mailto:Tom.McKinley@ontario.ca]
> Sent: October 30, 2017 11:48 AM
> To: Kim, John (OFA); Victor Buzz
> Cc: Sterio, Lisa (OFA); Anthony Martinello; Michael Bull; He, Gavin (OFA)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.
>
> Tom
> _____
> From: John Kim [John.Kim@ofina.on.ca]
> Sent: Monday, October 30, 2017 11:13 AM
> To: Victor Buzz; McKinley, Tom (MAG)
> Cc: Sterio, Lisa (OFA); Anthony Martinello; Michael Bull; He, Gavin (OFA)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Thanks Victor. On #2, OFA's internal discussions are coming to an end in my understanding.
>
> Tom, just wondering how things are on your side.
>
> On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.
>
> From: Victor Buzz [mailto:Victor.Buzz@ofina.on.ca]
> Sent: Monday, October 30, 2017 11:07 AM
> To: John Kim <John.Kim@ofina.on.ca>; Tom McKinley (MAG) <Tom.McKinley@ontario.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ofina.on.ca>; Michael Bull <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John. I believe Anthony will be teaching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:
>
> (i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;
>
> (ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;
>
> (iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
> Victor
>
> From: John Kim [mailto:John.Kim@ofina.on.ca]
> Sent: October 30, 2017 8:30 AM
> To: Tom McKinley (MAG); Victor Buzz
> Cc: Lisa Sterio; Anthony Martinello; Michael Bull; Gavin He
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi all,
>
> I am anticipating on our side being ready today to get the signature.
>
> Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.
>
> Thanks,
>
> John
>
> From: John Kim
> Sent: Wednesday, October 25, 2017 5:23 PM
> To: Tom McKinley (MAG) <Tom.McKinley@ontario.ca>; 'Victor Buzz' <Victor.Buzz@ofina.on.ca>; 'Victor Buzz' <Victor.Buzz@ofina.on.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ofina.on.ca>; Michael Bull' <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Ok, thanks Tom.
>
> I do anticipate some additional discussion on our side as well between Ron and Gadi.
>
> John
>
> From: McKinley, Tom (MAG) [mailto:Tom.McKinley@ontario.ca]
> Sent: Wednesday, October 25, 2017 4:01 PM
> To: John Kim <John.Kim@ofina.on.ca>; 'Victor Buzz' <Victor.Buzz@ofina.on.ca>; 'Victor Buzz' <Victor.Buzz@ofina.on.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ofina.on.ca>; Michael Bull' <Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> No, there isn't a 'the'.
>
> I'll send this version up and let you know if we have any concerns.
>
> Tom.
>
> From: John Kim [mailto:John.Kim@ofina.on.ca]
> Sent: October 25, 2017 2:48 PM
> To: 'Victor Buzz'; McKinley, Tom (MAG)
> Cc: Sterio, Lisa (OFA); 'Anthony Martinello'; 'Michael Bull'; He, Gavin (OFA)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi,
>
> Pls. have a look at the latest and let us know if you have any comments.
>
> Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?
>
> Could we all have a final look and consult in respective shops?
>
> Thanks,
>
> John
>
> From: John Kim
> Sent: Wednesday, October 25, 2017 10:25 AM
> To: 'Victor Buzz' <Victor.Buzz@ieso.ca>; Tom McKinley (MAG) <Tom.McKinley@ontario.ca>; mailto:Tom.McKinley@ontario.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; mailto:Lisa.Sterio@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bull' <Michael.Bull@ieso.ca>; mailto:Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; mailto:Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Thanks Victor.
>
> We anticipate circulating a version with the formatting today.
>
> From: Victor Buzz [mailto:Victor.Buzz@ieso.ca]
> Sent: Tuesday, October 24, 2017 5:10 PM
> To: John Kim <John.Kim@ofina.on.ca>; mailto:John.Kim@ofina.on.ca>; Tom McKinley (MAG) <Tom.McKinley@ontario.ca>; mailto:Tom.McKinley@ontario.ca>
> Cc: Lisa Sterio <Lisa.Sterio@ofina.on.ca>; mailto:Lisa.Sterio@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bull' <Michael.Bull@ieso.ca>; mailto:Michael.Bull@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; mailto:Gavin.He@ofina.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John.
>
> 1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:
>
> For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.
>
> 2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.
>
> 3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.
>
> Victor

Victor Buzz | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6879
1600-120 Adelaide Street West, Toronto, ON M5H 1T1

Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Feddelivery.ieso@ieso.ca&data=02%7C01%7CVictor.Buzz%40ieso.ca%7C2ba6c8f2f1fc4b3c7b3908d51e6f6b0c%7C7cd5ca8e3f2f4c5e8f4ef4bbe45ba6d8%7C0%7C0%7C636450435620172731&sdata=Ty%2FqIuSvUJ%2BQ%2BBdwuFGhuhB%2FOBqdqpvcXoTPqIuEvUY%3D&reserved=0>; https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Feddelivery.ieso@ieso.ca%2Fwp-login.php%3Faction%3Dpostpass1&data=02%7C01%7CVictor.Buzz%40ieso.ca%7C2ba6c8f2f1fc4b3c7b3908d51e6f6b0c%7C7cd5ca8e3f2f4c5e8f4ef4bbe45ba6d8%7C0%7C0%7C636450435620172731&sdata=Ty%2FqIuSvUJ%2BQ%2BBdwuFGhuhB%2FOBqdqpvcXoTPqIuEvUY%3D&reserved=0>; https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Feddelivery.ieso@ieso.ca%2Fwp-login.php%3Faction%3Dpostpass1&data=02%7C01%7CVictor.Buzz%40ieso.ca%7C2ba6c8f2f1fc4b3c7b3908d51e6f6b0c%7C7cd5ca8e3f2f4c5e8f4ef4bbe45ba6d8%7C0%7C0%7C636450435620172731&sdata=Ty%2FqIuSvUJ%2BQ%2BBdwuFGhuhB%2FOBqdqpvcXoTPqIuEvUY%3D&reserved=0>
Twitter: IESO_Powered twitter.com/#!/url1.safelinks.protection.outlook.com/?url=https%3A%2F%2Ftwitter.com%2FIESO_Powered&data=02%7C01%7CVictor.Buzz%40ieso.ca%7C2ba6c8f2f1fc4b3c7b3908d51e6f6b0c%7C7cd5ca8e3f2f4c5e8f4ef4bbe45ba6d8%7C0%7C0%7C636450435620172731&sdata=Ty%2FqIuSvUJ%2BQ%2BBdwuFGhuhB%2FOBqdqpvcXoTPqIuEvUY%3D&reserved=0>

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinley (MAG); Victor Buzz
Cc: Lisa Sterio; Anthony Martinello; Michael Bull; Gavin He

Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: John.Kim@ofina.on.ca <mailto:John.Kim@ofina.on.ca>
Ph: 416-212-6966

_____

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From: William Tan
To: Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx
Date: Wednesday, September 20, 2017 12:34:27 PM
Attachments: Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx

---

Hello Sarah,
I've added the date, regarding line and signature block at the bottom.
Missing signature block for MOE.
I suggest Times New Roman font.
The letter looks fine to me.

From: Sarah Harris
Sent: Wednesday, September 20, 2017 11:36 AM
To: William Tan
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx
Hi Will,
Please review. John will add in any language on pleasantries.
Sarah

From: Lisa Stein
Sent: Wednesday, September 20, 2017 9:41 AM
To: John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev.docx
Good morning John and Sarah,
Further to our meeting yesterday, please see the attached draft points to be included in a letter agreement from the OFA, addressed to both the IESO and MOE.
Please add in the appropriate details, including addressees and signature lines, and send it back to legal for final review. Happy to discuss.
Thanks,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

September 20, 2017

Re: IESO Credit Requirements for the 2017 Fair Hydro Plan

Formatted: Space After: 0 pt

I am writing in relation to the IESO's request for a new revolving credit facility in an amount of up to $2 billion from the OFA (the "New Credit Facility") to support its role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.*

Pursuant to the OFA Lending Policy, the OFA is required to include an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. The intercept provision allows the Minister of Finance to deduct amounts equal to any amounts the public body fails to pay the OFA under a loan agreement from money appropriated by the Legislature for payment to the public body.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement"), the OFA requires the Ministry of Energy ("MOE") and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement. These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

As such, the OFA, the IESO, and MOE agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):

- Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and MOE agree that in the event that the Legislature appropriates any funds for payment to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance is entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision").

- Under the intercept provision, which shall be included in the Loan Agreements, the IESO also agrees that any notice from the OFA to the Minister of Finance in relation to its failure to pay under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

- Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with MOE and seek MOE's support in getting the IESO to pay the amounts owing within a reasonable cure period.

- Upon receipt of notice from the OFA that the IESO has failed to pay in accordance with the provisions of a Loan Agreement, MOE will provide the OFA

with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO, including the intended purpose and expected timing of such payments to be made by MOE. Upon request, MOE will provide similar information to the Minister of Finance.

- MOE acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment to the IESO, MOE will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

DRAFT

From: [John Kim]
To: [Sarah Harris]
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 2:08:00 PM

That's fine. I'm working from home – cell 647 278 9718.

From: John Kim
Sent: Tuesday, October 31, 2017 2:08 PM
To: Sarah Harris
Cc: William Tan ; Gavin He ; Lisa Stein
Subject: Re: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

I am in a meeting now, so will call you when I came out

Sent from my iPad

On Oct 31, 2017, at 2:07 PM, Sarah Harris <Sarah.Harris@ieso.on.ca> wrote:

> Hi John,
>
> I will give you a call.
>
> Sarah
>
> -----Original Message-----
> From: John Kim
> Sent: Tuesday, October 31, 2017 2:00 PM
> To: John Kim <John.Kim@ieso.on.ca>
> Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> The new FHP credit facility agreement will be executed and effective prior to AA#10. AA#10 will be effective November 22, 2017 (to allow it to be executed at the same time as the other agreements). I have had discussions about this matter with Sarah and Will, so I will defer to them to explain the operational details.
>
> -----Original Message-----
> From: John Kim
> Sent: Tuesday, October 31, 2017 1:58 PM
> To: Lisa Stein <Lisa.Stein@ieso.on.ca>
> Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi Lisa,
>
> I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw.....what are your thoughts then?
>
> The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.
>
> John
>
> -----Original Message-----
> From: Lisa Stein
> Sent: Tuesday, October 31, 2017 1:55 PM
> To: John Kim <John.Kim@ieso.on.ca>
> Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> No - the amount of the existing facility needs to be reduced first.
>
> -----Original Message-----
> From: John Kim
> Sent: Tuesday, October 31, 2017 1:54 PM
> To: Lisa Stein <Lisa.Stein@ieso.on.ca>
> Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Why November 22?
>
> Wouldn't it be effective right away?
>
> -----Original Message-----
> From: Lisa Stein
> Sent: Tuesday, October 31, 2017 1:53 PM
> To: John Kim <John.Kim@ieso.on.ca>
> Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John,
>
> Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.
>
> Thank you,
>
> Lisa
>
> -----Original Message-----
> From: John Kim
> Sent: Tuesday, October 31, 2017 1:49 PM
> To: Victor Buza <Victor.Buza@ieso.ca>
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.
>
> Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?
>
> -----Original Message-----
> From: Victor Buza [mailto:Victor.Buza@ieso.ca]
> Sent: Tuesday, October 31, 2017 1:42 PM
> To: John Kim <John.Kim@ieso.on.ca>
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
> Victor
>
> -----Original Message-----
> From: John Kim [mailto:John.Kim@ieso.on.ca]
> Sent: October 31, 2017 12:57 PM
> To: Victor Buza
> Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He; Tom McKinlay (MAG)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi Victor,
>
> While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.
>
> John
>
> -----Original Message-----
> From: Victor Buza [mailto:Victor.Buza@ieso.ca]
> Sent: Tuesday, October 31, 2017 12:09 PM
> To: John Kim <John.Kim@ieso.on.ca>
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
> Victor
>
> -----Original Message-----
> From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
> Sent: October 30, 2017 11:48 AM
> To: Kim, John (OFA); Victor Buza
> Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bell; He, Gavin (OFA)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.
>
> Tom
>
> From: John Kim [John.Kim@ieso.on.ca]
> Sent: Monday, October 30, 2017 11:13 AM
> To: Victor Buza'; McKinlay, Tom (MAG)
> Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bell; He, Gavin (OFA)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.
>
> Tom, just wondering how things are on your side.
>
> On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.
>
> From: Victor Buza [mailto:Victor.Buza@ieso.ca]
> Sent: Monday, October 30, 2017 11:07 AM
> To: John Kim <John.Kim@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ieso.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John. I believe Anthony will be tracking base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:
>
> (i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;
>
> (ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;
>
> (iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
> Victor
>
> From: John Kim [mailto:John.Kim@ieso.on.ca]
> Sent: October 30, 2017 8:30 AM
> To: Tom McKinlay (MAG); Victor Buza
> Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi all,
>
> I am anticipating on our side being ready today to get the signature.
>
> Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.
>
> Thanks,
>
> John
>
> From: John Kim
> Sent: Wednesday, October 25, 2017 5:23 PM
> To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bell' <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ieso.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Ok, thanks Tom.
>
> I do anticipate some additional discussion on our side as well between Ron and Gadi.
>
> John
>
> From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
> Sent: Wednesday, October 25, 2017 4:01 PM
> To: John Kim <John.Kim@ieso.on.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bell' <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ieso.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> *No, there isn't a 'the'.*
>
> I'll send this version up and let you know if we have any concerns.
>
> Tom.
>
> From: John Kim [mailto:John.Kim@ieso.on.ca]
> Sent: October 25, 2017 2:48 PM
> To: 'Victor Buza'; McKinlay, Tom (MAG)
> Cc: Stein, Lisa (OFA); 'Anthony Martinello'; Michael Bell'; He, Gavin (OFA)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi,
>
> Pls. have a look at the latest and let us know if you have any comments.
>
> Just a minor question. Is there a 'the' in front of the Ontario Climate Change Solutions Deployment Corporation?
>
> Could we all have a final look and consult in respective shops?
>
> Thanks,
>
> John
>
> From: John Kim
> Sent: Wednesday, October 25, 2017 10:25 AM
> To: Victor Buza <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; mailto:Tom.McKinlay@ontario.ca
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; mailto:Anthony.Martinello@ieso.ca; Michael Bell <Michael.Bell@ieso.ca>; mailto:Michael.Bell@ieso.ca; Gavin He <Gavin.He@ieso.on.ca>; mailto:Gavin.He@ieso.on.ca
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Thanks Victor.
>
> We anticipate circulating a version with the formatting today.
>
> From: Victor Buza [mailto:Victor.Buza@ieso.ca]
> Sent: Tuesday, October 24, 2017 5:18 PM
> To: John Kim <John.Kim@ieso.on.ca>; mailto:John.Kim@ieso.on.ca; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; mailto:Tom.McKinlay@ontario.ca
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; mailto:Anthony.Martinello@ieso.ca; Michael Bell <Michael.Bell@ieso.ca>; mailto:Michael.Bell@ieso.ca; Gavin He <Gavin.He@ieso.on.ca>; mailto:Gavin.He@ieso.on.ca
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John.
>
> 1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:
>
> For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for transfer to the IESO through ministries other than ENERGY or through Ontario Climate Change Solution Deployment Corporation.
>
> 2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.
>
> 3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.
>
> Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6879
1600-120 Adelaide Street West, Toronto, ON M5H 1T1

[long machine-encoded URL blocks omitted]

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From: John Kim [mailto:John.Kim@ieso.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca <mailto:john.kim@ofina.on.ca>
Ph: 416-212-6996

_____

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From: [John Kim]
To: [Sarah Harris]
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 2:08:00 PM

That's fine. I'm working from home – cell 647 278 9718.

From: John Kim
Sent: Tuesday, October 31, 2017 2:08 PM
To: Sarah Harris
Cc: William Tan ; Gavin He ; Lisa Stein
Subject: Re: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

I am in a meeting now, so will call you when I came out

Sent from my iPad

On Oct 31, 2017, at 2:07 PM, Sarah Harris <Sarah.Harris@ieso.on.ca> wrote:

> Hi John,
>
> I will give you a call.
>
> Sarah
>
> -----Original Message-----
> From: John Kim
> Sent: Tuesday, October 31, 2017 2:00 PM
> To: John Kim <John.Kim@ieso.on.ca>
> Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
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> The new FHP credit facility agreement will be executed and effective prior to AA#10. AA#10 will be effective November 22, 2017 (to allow it to be executed at the same time as the other agreements). I have had discussions about this matter with Sarah and Will, so I will defer to them to explain the operational details.
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> -----Original Message-----
> From: John Kim
> Sent: Tuesday, October 31, 2017 1:58 PM
> To: Lisa Stein <Lisa.Stein@ieso.on.ca>
> Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
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> Hi Lisa,
>
> I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw.....what are your thoughts then?
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> The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.
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> From: Lisa Stein
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> To: John Kim <John.Kim@ieso.on.ca>
> Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
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> No - the amount of the existing facility needs to be reduced first.
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> From: John Kim
> Sent: Tuesday, October 31, 2017 1:54 PM
> To: Lisa Stein <Lisa.Stein@ieso.on.ca>
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> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
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> Why November 22?
>
> Wouldn't it be effective right away?
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> From: Lisa Stein
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> To: John Kim <John.Kim@ieso.on.ca>
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> Hi John,
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> Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.
>
> Thank you,
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> Lisa
>
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> From: John Kim
> Sent: Tuesday, October 31, 2017 1:49 PM
> To: Victor Buza <Victor.Buza@ieso.ca>
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
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> Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?
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> From: Victor Buza [mailto:Victor.Buza@ieso.ca]
> Sent: Tuesday, October 31, 2017 1:42 PM
> To: John Kim <John.Kim@ieso.on.ca>
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
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> Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
> Victor
>
> -----Original Message-----
> From: John Kim [mailto:John.Kim@ieso.on.ca]
> Sent: October 31, 2017 12:57 PM
> To: Victor Buza
> Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He; Tom McKinlay (MAG)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi Victor,
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> While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.
>
> John
>
> -----Original Message-----
> From: Victor Buza [mailto:Victor.Buza@ieso.ca]
> Sent: Tuesday, October 31, 2017 12:09 PM
> To: John Kim <John.Kim@ieso.on.ca>
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bell <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
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> Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
> Victor
>
> -----Original Message-----
> From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
> Sent: October 30, 2017 11:48 AM
> To: Kim, John (OFA); Victor Buza
> Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bell; He, Gavin (OFA)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
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> We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.
>
> Tom
>
> From: John Kim [John.Kim@ieso.on.ca]
> Sent: Monday, October 30, 2017 11:13 AM
> To: Victor Buza'; McKinlay, Tom (MAG)
> Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bell; He, Gavin (OFA)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
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> Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.
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> Tom, just wondering how things are on your side.
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> On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.
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>
> (i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;
>
> (ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;
>
> (iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
> Victor
>
> From: John Kim [mailto:John.Kim@ieso.on.ca]
> Sent: October 30, 2017 8:30 AM
> To: Tom McKinlay (MAG); Victor Buza
> Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi all,
>
> I am anticipating on our side being ready today to get the signature.
>
> Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.
>
> Thanks,
>
> John
>
> From: John Kim
> Sent: Wednesday, October 25, 2017 5:23 PM
> To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bell' <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ieso.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Ok, thanks Tom.
>
> I do anticipate some additional discussion on our side as well between Ron and Gadi.
>
> John
>
> From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
> Sent: Wednesday, October 25, 2017 4:01 PM
> To: John Kim <John.Kim@ieso.on.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; Michael Bell' <Michael.Bell@ieso.ca>; Gavin He <Gavin.He@ieso.on.ca>
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> *No, there isn't a 'the'.*
>
> I'll send this version up and let you know if we have any concerns.
>
> Tom.
>
> From: John Kim [mailto:John.Kim@ieso.on.ca]
> Sent: October 25, 2017 2:48 PM
> To: 'Victor Buza'; McKinlay, Tom (MAG)
> Cc: Stein, Lisa (OFA); 'Anthony Martinello'; Michael Bell'; He, Gavin (OFA)
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi,
>
> Pls. have a look at the latest and let us know if you have any comments.
>
> Just a minor question. Is there a 'the' in front of the Ontario Climate Change Solutions Deployment Corporation?
>
> Could we all have a final look and consult in respective shops?
>
> Thanks,
>
> John
>
> From: John Kim
> Sent: Wednesday, October 25, 2017 10:25 AM
> To: Victor Buza <Victor.Buza@ieso.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; mailto:Tom.McKinlay@ontario.ca
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; mailto:Anthony.Martinello@ieso.ca; Michael Bell <Michael.Bell@ieso.ca>; mailto:Michael.Bell@ieso.ca; Gavin He <Gavin.He@ieso.on.ca>; mailto:Gavin.He@ieso.on.ca
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Thanks Victor.
>
> We anticipate circulating a version with the formatting today.
>
> From: Victor Buza [mailto:Victor.Buza@ieso.ca]
> Sent: Tuesday, October 24, 2017 5:18 PM
> To: John Kim <John.Kim@ieso.on.ca>; mailto:John.Kim@ieso.on.ca; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; mailto:Tom.McKinlay@ontario.ca
> Cc: Lisa Stein <Lisa.Stein@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; mailto:Anthony.Martinello@ieso.ca; Michael Bell <Michael.Bell@ieso.ca>; mailto:Michael.Bell@ieso.ca; Gavin He <Gavin.He@ieso.on.ca>; mailto:Gavin.He@ieso.on.ca
> Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
>
> Hi John.
>
> 1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:
>
> For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for transfer to the IESO through ministries other than ENERGY or through Ontario Climate Change Solution Deployment Corporation.
>
> 2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.
>
> 3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.
>
> Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6879
1600-120 Adelaide Street West, Toronto, ON M5H 1T1

[long machine-encoded URL blocks omitted]

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From: John Kim [mailto:John.Kim@ieso.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bell; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupsClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca <mailto:john.kim@ofina.on.ca>
Ph: 416-212-6996

_____

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From: [redacted]
To: [redacted]
Cc: [redacted], [redacted], [redacted]
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 2:37:29 PM

Hi John,

I will give you a call.

Sarah

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From: Lisa Stein
Sent: Tuesday, October 31, 2017 2:00 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
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Thank you,

Lisa

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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
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Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; 'Michael Bolf' <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 25, 2017 2:48 PM
To: 'Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; 'Michael Bolf'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; 'Michael Bolf' <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor.

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Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this para to read as follows:

For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Fu%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fdata-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C3abdfd0195b8ef0cd9b4209bf51fae90b0-257C7cd55abdd3f2d3c589fdd3fead5fabdd8-257C0-2Fdata-3D0MXkdRcWwG1fWIMPHDkD2Uzk4mbrbzuW6UxMbSLdIgE-253D-26reserved-3D0-5Bieso.ca-5D-5Bna01.safelinks.protection.outlook.com-2F-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Fu-253Fu-3D-2526d-3D2-26c-3D1-26r-3DAAAAAA-2526p-3D84ee7159ca3347a6bb6f9e1d0b7062a4-2526r-3DVA1TZOalRAapRaQkKEgcMWFT8IG1-2Dyk-2Dfq-2DJ-2DtwPbRbtYvuSaSLCfx_jh_-26h-3D1-26t-3D1-26c-3DAAAAAA-26sc-3D1-26x-3DAAAAAA-26s-3DAAAAAA-26e-3DAAAAAA-26a-3DAAAAAA-26u-3D-26z-3DAAAAAA-26b-3DAAAAAA-26q-3DAAAAAA-26v-3DAAAAAA-26y-3DAAAAAA-26w-3DAAAAAA-26l-3DAAAAAA-26m-3DAAAAAA-26n-3DAAAAAA-26o-3DAAAAAA-26f-3DAAAAAA-26g-3DAAAAAA-26h-3DAAAAAA-26i-3DAAAAAA-26j-3DAAAAAA-26k-3DAAAAAA-26p-3DAAAAAA-26d

3D0%26d%3DDwMFAg%26c%3DqC_YucLTZOuBAapRaQkkEgeMWFFHlCr1_eykjo0FuQ%26r%3DvotY4t4GbfhfVWBHbfpVR6JLroI4HFYxq7uOGJcAG0%26m%3DKtxaflQ6nwi8m21hhYHkaTc5oSIzL17s_jb_u6kF1AEbJ%26s%3DB6XMvv5vi8uH5Gae1Ih6CJE_j9SZBs1gLfdG13AO0mOx%26u8kdata=01%7C01%7Cvictor.huza%40ieso.ca%7Cfabdb8491f0bda49cd0b4208fd51fae06b0%7C7cd55abd63f243c5bf4bd3bea45fabdf8%7C0&sdata=RlShXGLaXV8cK%2Bfe6BFOaBzKnNQVCZCKSIRe%2ByuKNM4%3D&reserved=0>
| LinkedIn: IESO[linkedin.com][mail1.safelinks.protection.outlook.com]<https://mail1.safelinks.protection.outlook.com/?url=https%3A%2F%2Fsurlebrieue.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__mail1.safelinks.protection.outlook.com_-3Furl-3DIntro-253A-252F-252Furlebrieue.proofpoint.com-252Fv2-253Furl-253Fu-252DIntro%2Dhttps%2Dwww.linkedin.com-5Fcompany-5Fieso-2526d-253DDwMFAg-2526c-253DqC-5FYucLTZOuBAapRaQkkEgeMWFFHlCr1-5Feykjo0FuQ-2526r-253DvotY4t4GbfhfVWBHbfpVR6JLroI4HFYxq7uOGJcAG0-2526m-253DKtxaflQ6nwi8m21hhYHkaTc5oSIzL17s_jb_u6kF1AEbJ-2526s-253DB6XMvv5vi8uH5Gae1Ih6CJE_j9SZBs1gLfdG13AO0mOx-2526u-253Dhttps-253A-252F-252Fwww.linkedin.com-252Fcompany-2Dieso-2526d-253DDwMFAg-2526c-253DqC-2DYucLTZOuBAapRaQkkEgeMWFFHlCr1-2Deykjo0FuQ-2526r-253DvotY4t4GbfhfVWBHbfpVR6JLroI4HFYxq7uOGJcAG0-2526m-253DKtxaflQ6nwi8m21hhYHkaTc5oSIzL17s_jb_u6kF1AEbJ-2526s-253DCVLdBFQjzcGZZiSo5P_g0ek-9rbscTGkSLCJGFjm3q0%26e%3D&data=01%7C01%7Cvictor.huza%40ieso.ca%7Cfabdb8491f0bda49cd0b4208fd51fae06b0%7C7cd55abd63f243c5bf4bd3bea45fabdf8%7C0&sdata=Mph1HyC4rImDuvdhJtqGUxOFKuGzu7C5EyjPBNF4%3D&reserved=0>

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Huza
Cc: Lisa Snow, Anthony Marinelli; Michael Bell; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-cev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-4996

_____

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From: [redacted]
To: [redacted]
Cc: [redacted], [redacted], [redacted]
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx
Date: Tuesday, October 31, 2017 2:37:29 PM

Hi John,

I will give you a call.

Sarah

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 2:00 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

The new FHP credit facility agreement will be executed and effective prior to AA#10. AA#10 will be effective November 22, 2017 (to allow it to be executed at the same time as the other agreements). I have had discussions about this matter with Sarah and Will, so I will defer to them to explain the operational details.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:58 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Lisa,

I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw….what are your thoughts then?

The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.

John

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:55 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No - the amount of the existing facility needs to be reduced first.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:54 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Why November 22?

Wouldn't it be effective right away?

-----Original Message-----
From: Lisa Stein
Sent: Tuesday, October 31, 2017 1:53 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: Victor Buza <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bolf; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buza
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bolf; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

From: John Kim [John.Kim@ofina.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: 'Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); Anthony Martinello; Michael Bolf; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end is my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to conform the Intercept language in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buza
Cc: Lisa Stein; Anthony Martinello; Michael Bolf; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; 'Michael Bolf' <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ofina.on.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>; 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; 'Michael Bolf' <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

No, there isn't a 'the'.

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Tom.

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Sent: October 25, 2017 2:48 PM
To: 'Victor Buza'; McKinlay, Tom (MAG)
Cc: Stein, Lisa (OFA); 'Anthony Martinello'; 'Michael Bolf'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi,

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Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

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Thanks,

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Sent: Wednesday, October 25, 2017 10:25 AM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.ca>; 'Michael Bolf' <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ofina.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; Michael Bolf <Michael.Bolf@ieso.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupAClean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

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2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
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Web: https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Fu%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dwww.ieso.ca-2Fdata-3D01-257C01-257Cvictor.buza-2540ieso.ca-257C3abdfd0195b8ef0cd9b4209bf51fae90b0-257C7cd55abdd3f2d3c589fdd3fead5fabdd8-257C0-2Fdata-3D0MXkdRcWwG1fWIMPHDkD2Uzk4mbrbzuW6UxMbSLdIgE-253D-26reserved-3D0-5Bieso.ca-5D-5Bna01.safelinks.protection.outlook.com-2F-3Furl-3Dhttps-253A-252F-252Furldefense.proofpoint.com-252Fv2-252Fu-253Fu-3D-2526d-3D2-26c-3D1-26r-3DAAAAAA-2526p-3D84ee7159ca3347a6bb6f9e1d0b7062a4-2526r-3DVA1TZOalRAapRaQkKEgcMWFT8IG1-2Dyk-2Dfq-2DJ-2DtwPbRbtYvuSaSLCfx_jh_-26h-3D1-26t-3D1-26c-3DAAAAAA-26sc-3D1-26x-3DAAAAAA-26s-3DAAAAAA-26e-3DAAAAAA-26a-3DAAAAAA-26u-3D-26z-3DAAAAAA-26b-3DAAAAAA-26q-3DAAAAAA-26v-3DAAAAAA-26y-3DAAAAAA-26w-3DAAAAAA-26l-3DAAAAAA-26m-3DAAAAAA-26n-3DAAAAAA-26o-3DAAAAAA-26f-3DAAAAAA-26g-3DAAAAAA-26h-3DAAAAAA-26i-3DAAAAAA-26j-3DAAAAAA-26k-3DAAAAAA-26p-3DAAAAAA-26d

3D0%26d%3DDwMFAg%26c%3DqC_YucLTZOuBAapRaQkkEgeMWFFHlCr1_eykjo0FuQ%26r%3DvotY4t4GbfhfVWBHbfpVR6JLroI4HFYxq7uOGJcAG0%26m%3DKtxaflQ6nwi8m21hhYHkaTc5oSIzL17s_jb_u6kF1AEbJ%26s%3DB6XMvv5vi8uH5Gae1Ih6CJE_j9SZBs1gLfdG13AO0mOx%26u8kdata=01%7C01%7Cvictor.huza%40ieso.ca%7Cfabdb8491f0bda49cd0b4208fd51fae06b0%7C7cd55abd63f243c5bf4bd3bea45fabdf8%7C0&sdata=RlShXGLaXV8cK%2Bfe6BFOaBzKnNQVCZCKSIRe%2ByuKNM4%3D&reserved=0>
| LinkedIn: IESO[linkedin.com][mail1.safelinks.protection.outlook.com]<https://mail1.safelinks.protection.outlook.com/?url=https%3A%2F%2Fsurlebrieue.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__mail1.safelinks.protection.outlook.com_-3Furl-3DIntro-253A-252F-252Furlebrieue.proofpoint.com-252Fv2-253Furl-253Fu-252DIntro%2Dhttps%2Dwww.linkedin.com-5Fcompany-5Fieso-2526d-253DDwMFAg-2526c-253DqC-5FYucLTZOuBAapRaQkkEgeMWFFHlCr1-5Feykjo0FuQ-2526r-253DvotY4t4GbfhfVWBHbfpVR6JLroI4HFYxq7uOGJcAG0-2526m-253DKtxaflQ6nwi8m21hhYHkaTc5oSIzL17s_jb_u6kF1AEbJ-2526s-253DB6XMvv5vi8uH5Gae1Ih6CJE_j9SZBs1gLfdG13AO0mOx-2526u-253Dhttps-253A-252F-252Fwww.linkedin.com-252Fcompany-2Dieso-2526d-253DDwMFAg-2526c-253DqC-2DYucLTZOuBAapRaQkkEgeMWFFHlCr1-2Deykjo0FuQ-2526r-253DvotY4t4GbfhfVWBHbfpVR6JLroI4HFYxq7uOGJcAG0-2526m-253DKtxaflQ6nwi8m21hhYHkaTc5oSIzL17s_jb_u6kF1AEbJ-2526s-253DCVLdBFQjzcGZZiSo5P_g0ek-9rbscTGkSLCJGFjm3q0%26e%3D&data=01%7C01%7Cvictor.huza%40ieso.ca%7Cfabdb8491f0bda49cd0b4208fd51fae06b0%7C7cd55abd63f243c5bf4bd3bea45fabdf8%7C0&sdata=Mph1HyC4rImDuvdhJtqGUxOFKuGzu7C5EyjPBNF4%3D&reserved=0>

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From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: October 24, 2017 4:11 PM
To: Tom McKinlay (MAG); Victor Huza
Cc: Lisa Snow, Anthony Marinelli; Michael Bell; Gavin He
Subject: FW: Intercept letter agreement IESO MOE OFA Sept 2017-cev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 24_v3.docx

Hi Tom, Victor,

I don't yet have final go ahead but we are close so sharing the latest version. Pls. advise if any issue with the attached. Copying Michael at Tom's request.

Also for the square bracketed part [Energy to confirm], pls. advise if any issue with that part as well.

Pls. also let me know who at IESO would sign.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca<mailto:john.kim@ofina.on.ca>
Ph: 416-212-4996

_____

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From:	John Kim
To:	Lisa Stein; Sarah Harris
Subject:	RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx
Date:	Wednesday, November 01, 2017 12:23:11 PM
Attachments:	Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v6.docx

Latest version….getting this signed.

From: John Kim
Sent: Wednesday, November 01, 2017 12:18 PM
To: Lisa Stein ; Sarah Harris
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx

Hope this works….

From: John Kim
Sent: Wednesday, November 01, 2017 12:10 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_EnergyEdits_OFA IESO Edits Oct 25_v4.docx

Hi Lisa, Sarah,
Would you know how to include page numbers and names of the recipients up to each subsequent pages?
If you have a sample, I can do it myself.
Thanks,
John

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

November , 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

Dear Mr. Steen Hume and Ms. Kimberly Marshall:

I am writing in relation to the Independent Electricity System Operator's ("IESO") request to the Ontario Financing Authority ("OFA") for a new revolving credit facility in an amount of up to CAD $2 billion (the "New Credit Facility") to support the IESO's role in the implementation of and participation under the *Ontario Fair Hydro Plan Act, 2017.* Under the OFA Lending Policy, the OFA requires an intercept provision in respect of loans made by the OFA to public bodies on an unsecured basis. In general, an intercept provision allows the Minister of Finance to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts the public body fails to pay the OFA under a loan agreement.

The IESO and the Ministry of Energy ("ENERGY") confirm and the OFA acknowledges that at this time there are no amounts appropriated by the Legislature for payment to the IESO by ENERGY and the intent of such intercept provision is that it would apply if and when amounts were to be appropriated for payment by ENERGY to the IESO in the future.

Prior to entering into a loan agreement with the IESO for the New Credit Facility (the "OFHP Credit Facility Agreement") on an unsecured basis, the OFA requires ENERGY and the IESO to agree to the terms and conditions set out below in relation to the above OFA Lending Policy intercept provision requirement.

These terms and conditions shall also apply to the IESO's existing $975 million credit facility, established in a credit agreement entered into between the OFA and the Ontario Power Authority dated January 1, 2005, as amended (the "Original Credit Facility Agreement").

... 2

- The OFA, the IESO, and ENERGY agree as follows in respect of any advances made by the OFA to the IESO pursuant to the OFHP Credit Facility Agreement or the Original Credit Facility Agreement (each a "Loan Agreement"; together, the "Loan Agreements"):

    - Pursuant to section 23 of the *Capital Investment Plan Act, 1993*, the IESO and ENERGY agree that, in the event that the Legislature appropriates any funds for payment by ENERGY to the IESO for any purpose ("Appropriated Funds"), the Minister of Finance would be entitled to deduct from such Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under a Loan Agreement (the "intercept provision"). Terms relating to the intercept provision shall also be separately included in the Loan Agreements.

    - If the intercept provision is exercised, the IESO agrees that any notice from the OFA to the Minister of Finance in relation to its failure to make a payment that is due under a Loan Agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

    - Prior to recommending to the Minister of Finance that the intercept provision be exercised, the OFA will raise the issue with ENERGY and seek ENERGY's support in getting the IESO to pay the amounts owing to OFA within a reasonable cure period.

    - Upon receipt of notice from the OFA that the IESO has failed to make one or more payments owing to it in accordance with the provisions of a Loan Agreement, ENERGY will provide the OFA with all information requested by the OFA respecting amounts appropriated by the Legislature for payments to the IESO by ENERGY, including the intended purpose and expected timing of such payments to be made by ENERGY. Upon request, ENERGY will provide similar information to the Minister of Finance.

    - ENERGY acknowledges and agrees that, upon receipt of a direction from the Minister of Finance that an amount is to be deducted from money appropriated by the Legislature for payment by ENERGY to the IESO, ENERGY will take all necessary action required by it in order to effect such deduction and payment to the OFA in accordance with the Minister of Finance's direction.

    - For further certainty, the OFA and ENERGY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

... 3

This letter agreement may be executed in counterparts. Therefore, if you are in agreement with the above terms and conditions in relation to the Loan Agreements, kindly sign this letter agreement below in triplicate and send back two copies to my attention.

Sincerely,

_____

Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

The undersigned hereby agree to the terms and conditions as set out in this letter agreement and have executed this letter agreement as of the date first noted above.

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto ON M7A 1Y7

Office ontarien de financement
1 rue Dundas ouest
Bureau 1400
Toronto ON M7A
1Y7

(416) 325-8000

November , 2017

Mr. Steen Hume
Assistant Deputy Minister, Ministry of Energy
7th Flr, 77 Grenville St
Toronto, ON M7A 2C1

Ms. Kimberly Marshall
Vice-President, Corporate Services and Chief Financial Officer, IESO
120 Adelaide St W #1600
Toronto, ON M5H 1T1

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Sincerely,

_____

Ronald Kwan

Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA

c. Gadi Mayman, Chief Executive Officer, OFA

The undersigned hereby agree to the terms and conditions as set out in this letter agreement and have executed this letter agreement as of the date first noted above.

Ministry of Energy

by:_____

name: Steen Hume

title: Assistant Deputy Minister, Ministry of Energy

Independent Electricity System Operator

by:_____

name: Kimberly Marshall

title: Vice-President, Corporate Services and Chief Financial Officer, IESO

From: Gavin He
To: Lisa Stein
Cc: Sarah Harris; William Tan; John Kim
Subject: RE: Intercept letter
Date: Thursday, November 02, 2017 12:39:55 PM

Hi Lisa,

The intercept letter has been signed off by Energy, and it will be hand-delivered to IESO shortly.

Regards,

Gavin He

From: John Kim
Sent: Thursday, November 02, 2017 12:23 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; Gavin He
Subject: Re: Intercept letter

Is with energy at the moment

Sent from my iPad

On Nov 2, 2017, at 12:13 PM, Lisa Stein <Lisa.Stein@ofina.on.ca> wrote:

> Hi John,
> Can you please update us on the status of the intercept letter?
> Thank you,
> Lisa
> ***Lisa N. Stein***
> Legal Counsel
> Ontario Financing Authority
> 416-325-2320
> **********
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> **********

From:	Lisa Stein
To:	Gavin He
Cc:	Sarah Harris; William Tan; John Kim; Sarah Neville
Subject:	RE: Intercept letter
Date:	Thursday, November 02, 2017 12:52:23 PM

Thank you!

From: Gavin He
Sent: Thursday, November 02, 2017 12:40 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; John Kim
Subject: RE: Intercept letter

Hi Lisa,

The intercept letter has been signed off by Energy, and it will be hand-delivered to IESO shortly.

Regards,

Gavin He

From: John Kim
Sent: Thursday, November 02, 2017 12:23 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>
Subject: Re: Intercept letter

Is with energy at the moment

Sent from my iPad

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> Hi John,
>
> Can you please update us on the status of the intercept letter?
>
> Thank you,
>
> Lisa
>
> ***Lisa N. Stein***
> Legal Counsel
> Ontario Financing Authority
> 416-325-2320
> **********
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> **********

From:	John Kim
To:	Ken Kandeepan
Cc:	Lisa Stein; Sarah Harris; William Tan; Anna Strathy; Sarah Neville
Subject:	RE: Intercept provision
Date:	Saturday, October 14, 2017 6:25:48 PM

Sorry, I was reading and typing quickly through my iphone at lunch table. My understanding is that OPG is looking for priority of payments on all funds flowing through the IESO and the new potential complication arising from the Green ON Fund money flowing through the IESO could be another form of such payments. My assessment is the same with you Ken that Green ON Fund, like the social programs funded through the IESO, would not be intercept-able. So I agree with your comments and especially the part about there being no operational funding [from the Province] flowing through to the IESO at this time on the Energy's side.
I am working on clarifying above mentioned understanding [on the MOECC side] with TBS staff.

From: John Kim
Sent: October-14-17 12:36 PM
To: Ken Kandeepan
Cc: Lisa Stein ; Sarah Harris ; William Tan ; Anna Strathy ; Sarah Neville
Subject: Re: Intercept provision
Hi Ken,
The challenge with OPG is separate from the ieso. I will provide in detail when I get home later this afternoon.
John

Sent from my iPhone

On Oct 14, 2017, at 11:40 AM, Ken Kandeepan <Ken.Kandeepan@ofina.on.ca> wrote:

> Thanks, given that the Green ON Fund is outside the CRF I don't believe our intercept has any impact on the Fund's grants (if any) to the IESO. Also given that the Province has no appropriated amounts in in its estimates to IESO, either now or contemplated for the future, the existence of the intercept or its removal by the Ministerial fiat is from a practical perspective one and the same.
> As such I am wondering why OPG believes this is an issue for their ratings process since subrogation to the Province arising from the intercept is limited to Provincial funds flowing to IESO which as I have pointed out above are non-existent.
> Having said that OPG may be concerned that it would be difficult to explain the above to DBRS who may fail to see the distinction between an intercept aimed at these non-existent appropriation funds and something that is more general on the IESO's revenues. In which case the only option available is for the Minister to exempt this particular credit facility from the policy's intercept provisions.
> Thanks and happy to discuss.
> Ken K
>
> **From:** Lisa Stein
> **Sent:** Thursday, October 12, 2017 3:31 PM
> **To:** John Kim <John.Kim@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: Intercept provision

Hi John,

If I understand your question correctly, the answer is that the Ministry of Environment and Climate Change (MOECCC) is not required to be a party to the FHP credit facility intercept MOU/letter agreement. The letter agreement is intended to be between the "responsible ministry" (in this case Ministry of Energy (MOE)) and the public body (in this case IESO).

The intercept would apply to money appropriated by the Legislature for "payment to the public body". Therefore, money appropriated by the Legislature for payment to a different ministry, a different public body, or to MOE (or an agency of MOE, etc.) for a program *unrelated* to the IESO, would not be caught by the intercept.

I've included an excerpt below which should be helpful in this regard. Please let me know if you would like to discuss further.

Lisa

Excerpt from OFA Lending Policy (emphasis added):

Pursuant to section 23 of the *Capital investment Plan Act* and prior to any loan agreement entered into between the OFA and a public body, such public body and its responsible ministry are to agree that the Minister of Finance is entitled to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts that the public body fails to pay to the OFA on account of indebtedness under its loan agreement with the OFA. In addition, the public body is to agree that any notice from the OFA to the Minister of Finance in relation to its failure to pay under its loan agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

From: John Kim
Sent: Thursday, October 12, 2017 3:01 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Intercept provision

Hi Sarah, Lisa,

I have a request for a legal interpretation of the OFA Lending Policy.

The OFA Lending Policy as we currently have it, does it provide for a requirement [of the MOU/the letter agreement we have drafted] other than one ministry responsible for the public body? The way I read the policy, I believe there should be one Ministry that provides oversight of the public body.

This morning, at a meeting, IESO representative raised the issue of their managing the government's implementation of Green ON Fund (?). I am presuming that the same type of arrangement applies for this program as the Energy's program, i.e. no appropriation for IESO's operation, and this is TBD but would like to know how implementation of such a program funded by another ministry would factor into what

we are looking to do.
The purpose of the question is to entertain whether the MOU/the letter agreement needs to include MOECC or not. I don't think so but would appreciate your assessment.
Thanks,
John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

From: Ken Kandeepan
To: Lisa Stein; John Kim
Cc: Sarah Harris; William Tan; Anna Strathy; Sarah Neville
Subject: RE: Intercept provision
Date: Saturday, October 14, 2017 11:40:09 AM

Thanks, given that the Green ON Fund is outside the CRF I don't believe our intercept has any impact on the Fund's grants (if any) to the IESO. Also given that the Province has no appropriated amounts in in its estimates to IESO, either now or contemplated for the future, the existence of the intercept or its removal by the Ministerial fiat is from a practical perspective one and the same.
As such I am wondering why OPG believes this is an issue for their ratings process since subrogation to the Province arising from the intercept is limited to Provincial funds flowing to IESO which as I have pointed out above are non-existent.
Having said that OPG may be concerned that it would be difficult to explain the above to DBRS who may fail to see the distinction between an intercept aimed at these non-existent appropriation funds and something that is more general on the IESO's revenues. In which case the only option available is for the Minister to exempt this particular credit facility from the policy's intercept provisions.
Thanks and happy to discuss.
Ken K

From: Lisa Stein
Sent: Thursday, October 12, 2017 3:31 PM
To: John Kim
Cc: Sarah Harris ; William Tan ; Ken Kandeepan ; Anna Strathy ; Sarah Neville
Subject: RE: Intercept provision

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Lisa

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From: John Kim

Sent: Thursday, October 12, 2017 3:01 PM
To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Intercept provision

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The purpose of the question is to entertain whether the MOU/the letter agreement needs to include MOECC or not. I don't think so but would appreciate your assessment.

Thanks,

John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

From: Ken Kandeepan
To: Lisa Stein; John Kim
Cc: Sarah Harris; William Tan; Anna Strathy; Sarah Neville
Subject: RE: Intercept provision
Date: Saturday, October 14, 2017 11:40:09 AM

Thanks, given that the Green ON Fund is outside the CRF I don't believe our intercept has any impact on the Fund's grants (if any) to the IESO. Also given that the Province has no appropriated amounts in in its estimates to IESO, either now or contemplated for the future, the existence of the intercept or its removal by the Ministerial fiat is from a practical perspective one and the same.
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Thanks and happy to discuss.
Ken K

From: Lisa Stein
Sent: Thursday, October 12, 2017 3:31 PM
To: John Kim
Cc: Sarah Harris ; William Tan ; Ken Kandeepan ; Anna Strathy ; Sarah Neville
Subject: RE: Intercept provision

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Ph: 416-212-6996

From:	John Kim
To:	Lisa Stein
Cc:	Sarah Harris; William Tan; Ken Kandeepan; Anna Strathy; Sarah Neville
Subject:	RE: Intercept provision
Date:	Friday, October 13, 2017 5:58:05 PM

Thanks Lisa. We will investigate further and share information as we get them for everyone's full consideration.
John

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Sent: Thursday, October 12, 2017 3:31 PM
To: John Kim
Cc: Sarah Harris ; William Tan ; Ken Kandeepan ; Anna Strathy ; Sarah Neville
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From: Lisa Stein
To: John Kim
Cc: Sarah Harris; William Tan; Ken Kandeepan; Anna Strathy; Sarah Neville
Subject: RE: Intercept provision
Date: Thursday, October 12, 2017 3:30:51 PM

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e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

From:	John Kim
To:	Ken Kandeepan
Cc:	Lisa Stein; Sarah Harris; William Tan; Anna Strathy; Sarah Neville
Subject:	RE: Intercept provision
Date:	Saturday, October 14, 2017 6:25:48 PM

Sorry, I was reading and typing quickly through my iphone at lunch table. My understanding is that OPG is looking for priority of payments on all funds flowing through the IESO and the new potential complication arising from the Green ON Fund money flowing through the IESO could be another form of such payments. My assessment is the same with you Ken that Green ON Fund, like the social programs funded through the IESO, would not be intercept-able. So I agree with your comments and especially the part about there being no operational funding [from the Province] flowing through to the IESO at this time on the Energy's side.
I am working on clarifying above mentioned understanding [on the MOECC side] with TBS staff.

From: John Kim
Sent: October-14-17 12:36 PM
To: Ken Kandeepan
Cc: Lisa Stein ; Sarah Harris ; William Tan ; Anna Strathy ; Sarah Neville
Subject: Re: Intercept provision
Hi Ken,
The challenge with OPG is separate from the ieso. I will provide in detail when I get home later this afternoon.
John

Sent from my iPhone

On Oct 14, 2017, at 11:40 AM, Ken Kandeepan <Ken.Kandeepan@ofina.on.ca> wrote:

> Thanks, given that the Green ON Fund is outside the CRF I don't believe our intercept has any impact on the Fund's grants (if any) to the IESO. Also given that the Province has no appropriated amounts in in its estimates to IESO, either now or contemplated for the future, the existence of the intercept or its removal by the Ministerial fiat is from a practical perspective one and the same.
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e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

From: William Tan
To: Sarah Harris
Subject: RE: Mike's signature
Date: Thursday, November 02, 2017 8:42:00 AM

Hi Sarah,

Mike is currently on the phone, I will check back with him in a little bit.

From: Sarah Harris

Sent: Thursday, November 02, 2017 7:47 AM

To: William Tan

Subject: Mike's signature

Hi,
When you get in this morning, please look out for Mike so that you can catch him to let him know that he facility agreement will be signed possibly later today or but likely tomorrow. Please ask him his availability so we can arrange an execution window.
Thanks,
Satah
Sent from my iPhone

From: Sarah Neville
To: Sarah Harris
Subject: RE: OEFC - OPG Borrowing Notices
Date: Tuesday, October 31, 2017 3:09:21 PM

Hi Sarah - what are your thoughts on the below? We don't typically retain these documents in the Legal branch, but as Kelly is sending them over to MOF Legal am I right to assume documentation doesn't either? Can you confirm you have the prom notes?
Sarah

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Tuesday, October 31, 2017 3:04 PM
To: Sarah Neville
Subject: OEFC - OPG Borrowing Notices

Hi Sarah,
I forgot to mention this on our call. I have been receiving a number of originals of the borrowing notices sent by OPG to OEFC and a copy of the prom note from Kelly Listoe in Capital Markets, the reason being because we worked on the main agreements quite awhile ago now. I am wondering though whether these should actually be sent to you for safekeeping as opposed to us now. I am happy to scan them and also file them here but wondering whether we need too?
I am assuming that the OFA keeps the actual prom note on behalf of OEFC.
Thanks.
Malle Hanslep
Deputy Director
Ministry of the Attorney General
Ministry of Finance Legal Services Branch
Telephone: 416-325-1457
Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you.

From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Date:	Friday, November 03, 2017 2:31:29 PM

Thank you Victor. Please let me know if you would like to discuss the adjustments. Just to clarify – will you be preparing the execution versions?

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, November 03, 2017 1:32 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; Anthony Martinello ; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

Thanks Lisa – this version of AA#10 now looks fine.
We now need to make the final adjustments to both agreements based on the new November 6 closing. I will look at the documents this afternoon and forward any changes I note as required – I would like to be in a position to sign early on Monday if possible.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 9:53 AM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance: High

Hi Victor,
Please find attached the latest version of AA#10, incorporating that changes that you have requested. We have also included additional language pertaining to the "Transfer of Funds". Please let us know your thoughts and if you would like to discuss further.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

From:	Victor Buza
To:	William Tan
Cc:	Anthony Martinello; Lisa Stein; Sarah Harris; John Kim
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Wednesday, November 01, 2017 1:12:54 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5 from OFA Oct 31 IESO Comments Nov1.docx
Importance:	High

Please see our proposed amendments to AA#10 in the attached document. I have attempted to reflect in s.14 those issues that came up yesterday on our call in relation to the timing and documentation of the separate transactions. Whether it is right may depend in part on what Sarah's internal discussions yielded re these issues (i.e. we were thinking that all transactions will occur on the 21st and so drafted accordingly).

It may make sense for me to walk through this with one or more of you just so we aren't delayed. I am available for a call anytime this afternoon except from 2:30 to 3:00.

Victor

416-969-6079

From: William Tan [mailto:William.Tan@ofina.on.ca]

Sent: October 31, 2017 1:18 PM

To: Victor Buza

Cc: Anthony Martinello; Lisa Stein; Sarah Harris; John Kim

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hello Victor,

Please find attached the latest black-lined version of the OFA IESO Amending Agreement No. 10. In this version, we have made amendments to the effective date of the agreement, Permitted Liens, Section 5.2 Acceleration of Maturity; Rescission and Annulment, Section 5.7 Intercept (To be replaced with finalized language from new FHP credit facility agreement) and Section 7.9 Entire Agreement.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd [**NTD: VERIFY DATE – 21st?**]day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

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acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date~~:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of

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Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept [NOTE FROM IESO – OFA to revise per final OEHP credit agreement language]

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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b. "**Other Financial Transactions**" means those transactions between the Parties to be completed on the Effective Date prior to the Effective Time in relation to:

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i. the advance of funds under a separate credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;

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ii. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in

the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and

iii. the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd [**NTD: VERIFY DATE – 21st?**]day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

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acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date~~:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of

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Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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Commented [VB1]: Note - connected the two paras.

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept [NOTE FROM IESO – OFA to revise per final OEHP credit agreement language]

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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Commented [LS2]: NTD: Replace with finalized language from new FHP credit facility agreement

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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b. "**Other Financial Transactions**" means those transactions between the Parties to be completed on the Effective Date prior to the Effective Time in relation to:

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i. the advance of funds under a separate credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;

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ii. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in

the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and

iii. the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Sarah Harris
To:	Lisa Stein; "Anthony Martinello"; William Tan; Victor Buza
Cc:	John Kim
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 2:45:32 PM

Hi. I'm fine with that too.
Anthony, could you please go circulate a number?
Thanks,
Sarah

From: Lisa Stein
Sent: Tuesday, October 31, 2017 2:44 PM
To: 'Anthony Martinello' ; William Tan ; Victor Buza
Cc: Sarah Harris ; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Hi. That works for me.

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, October 31, 2017 2:41 PM
To: William Tan <William.Tan@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Just chatted with Will.
Is everyone avail today at 3:30pm for a quick 30min call to ensure alignment on the docs.
Let me know and I will circulate a call-in

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 31, 2017 2:22 PM
To: Victor Buza
Cc: Anthony Martinello; Lisa Stein; Sarah Harris; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Hello all,
I want follow-up the previous email to clarify the Amending Agreement November 22, effective date. Once the Intercept Letter Agreement is signed we may sign the FHP Agreement and Amending Agreement No. 10 this week.
On November 21, it is expected that the majority of the outstanding balance under the existing $975M Credit Facility will be transferred to the $2B FHP Credit Facility. After the specified balance has been moved from the $975M Credit Facility, this will allow us to reduce the credit facility limit to $475M on November 22. Please let me know if you have any further questions or if you would like to discuss further.
Thanks,
Will

From: William Tan
Sent: Tuesday, October 31, 2017 1:18 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hello Victor,

Please find attached the latest black-lined version of the OFA IESO Amending Agreement No. 10. In this version, we have made amendments to the effective date of the agreement, Permitted Liens, Section 5.2 Acceleration of Maturity; Rescission and Annulment, Section 5.7 Intercept (To be replaced with finalized language from new FHP credit facility agreement) and Section 7.9 Entire Agreement.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

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Will Tan| *Documentation & Analysis Specialist*
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Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From:	Lisa Stein
To:	"Anthony Martinello"; William Tan; Victor Buza
Cc:	Sarah Harris; John Kim
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 2:43:42 PM

Hi. That works for me.

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, October 31, 2017 2:41 PM
To: William Tan ; Victor Buza
Cc: Lisa Stein ; Sarah Harris ; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

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Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hello Victor,
Please find attached the latest black-lined version of the OFA IESO Amending Agreement No. 10. In this version, we have made amendments to the effective date of the agreement, Permitted Liens, Section 5.2 Acceleration of Maturity; Rescission and Annulment, Section 5.7 Intercept (To be replaced with finalized language from new FHP credit facility agreement) and Section 7.9 Entire Agreement.
Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.
Thank you,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From:	Lisa Stein
To:	"Anthony Martinello"; William Tan; Victor Buza
Cc:	Sarah Harris; John Kim
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 2:43:42 PM

Hi. That works for me.

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Tuesday, October 31, 2017 2:41 PM
To: William Tan ; Victor Buza
Cc: Lisa Stein ; Sarah Harris ; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Just chatted with Will.
Is everyone avail today at 3:30pm for a quick 30min call to ensure alignment on the docs.
Let me know and I will circulate a call-in

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 31, 2017 2:22 PM
To: Victor Buza
Cc: Anthony Martinello; Lisa Stein; Sarah Harris; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hello all,
I want follow-up the previous email to clarify the Amending Agreement November 22, effective date. Once the Intercept Letter Agreement is signed we may sign the FHP Agreement and Amending Agreement No. 10 this week.
On November 21, it is expected that the majority of the outstanding balance under the existing $975M Credit Facility will be transferred to the $2B FHP Credit Facility. After the specified balance has been moved from the $975M Credit Facility, this will allow us to reduce the credit facility limit to $475M on November 22. Please let me know if you have any further questions or if you would like to discuss further.
Thanks,
Will

From: William Tan
Sent: Tuesday, October 31, 2017 1:18 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
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To: William Tan; Victor Buza
Cc: Lisa Stein; Sarah Harris; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date: Tuesday, October 31, 2017 2:41:17 PM

Just chatted with Will.
Is everyone avail today at 3:30pm for a quick 30min call to ensure alignment on the docs.
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To:	"Victor Buza"
Cc:	Anthony Martinello; Lisa Stein; Sarah Harris; John Kim
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 2:21:47 PM

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From:	William Tan
To:	Sarah Harris
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 12:48:23 PM

Hi Sarah,
Okay, I'll do that now.

From: Sarah Harris
Sent: Tuesday, October 31, 2017 12:48 PM
To: William Tan
Subject: FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Will,
Please forward the draft amending agreement to Anthony and Victor, and explain the change in the effective date, as well as insertion of the intercept language once the same is finalized in the FHP agreement.
Thanks,
Sarah

From: Lisa Stein
Sent: Tuesday, October 31, 2017 10:23 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Yes, that's fine.
Thanks,
Lisa

From: William Tan
Sent: Tuesday, October 31, 2017 10:04 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Hello Lisa,
We have reviewed the Amending Agreement No. 10 and have no comments. With the exception of the finalization of the Intercept language from the FHP, should we share the current version Amending Agreement No. 10 with IESO?
Thank you Lisa for your help on the drafts.
Will

From: Lisa Stein
Sent: Monday, October 30, 2017 3:34 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
I've made some additional amendments to the latest draft, attached, to incorporate the Effective Date.
Lisa
Lisa N. Stein
Legal Counsel

Ontario Financing Authority
416-325-2320
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From:	Anna Strathy
To:	Sarah Harris; Opal Kandelas
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Date:	Friday, November 03, 2017 1:37:27 PM

Excellent. Thank you both!

From: Sarah Harris
Sent: Friday, November 03, 2017 1:34 PM
To: Anna Strathy ; Opal Kandelas
Subject: FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

Amen!

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, November 03, 2017 1:32 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

Thanks Lisa – this version of AA#10 now looks fine.

We now need to make the final adjustments to both agreements based on the new November 6 closing. I will look at the documents this afternoon and forward any changes I note as required – I would like to be in a position to sign early on Monday if possible.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 9:53 AM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance: High

Hi Victor,

Please find attached the latest version of AA#10, incorporating that changes that you have requested. We have also included additional language pertaining to the "Transfer of Funds". Please let us know your thoughts and if you would like to discuss further.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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Sent: Tuesday, October 31, 2017 10:23 AM
To: William Tan <William.Tan@ofina.on.ca>
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Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Yes, that's fine.
Thanks,
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Sent: Tuesday, October 31, 2017 10:04 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
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To: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
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From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Tuesday, October 31, 2017 10:23:03 AM

Yes, that's fine.
Thanks,
Lisa

From: William Tan
Sent: Tuesday, October 31, 2017 10:04 AM
To: Lisa Stein
Cc: Sarah Harris
Subject: FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

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Cc:	Sarah Harris
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From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Date:	Monday, October 30, 2017 3:16:40 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Hi Lisa,
Right after I send my previous email Sarah informed me you intentionally left the Intercept language out.
The Intercept language from the FHP document version received on Friday, October 27, 4:13pm.
I have highlighted my changes.
Thanks,
Will

From: Lisa Stein
Sent: Monday, October 30, 2017 3:07 PM
To: William Tan
Cc: Sarah Harris
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Hi Will,
From which version did you add the intercept language? We are still finalizing that language with the IESO so it may need to be revised/replaced once confirmed. Can you please highlight the small changes you are referring to?
Thank you,
Lisa

From: William Tan
Sent: Monday, October 30, 2017 3:03 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Hello Lisa,
I have discussed the Amending Agreement No. 10 with Sarah and made small changes and added the 5.7 Intercept language directly from the FHP.
Thanks,
Will

From: Lisa Stein
Sent: Monday, October 30, 2017 11:03 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Latest draft

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320
****
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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of ~~September~~November~~October~~, 2017

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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6.7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Date:	Monday, October 30, 2017 3:16:40 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Hi Lisa,
Right after I send my previous email Sarah informed me you intentionally left the Intercept language out.
The Intercept language from the FHP document version received on Friday, October 27, 4:13pm.
I have highlighted my changes.
Thanks,
Will

From: Lisa Stein
Sent: Monday, October 30, 2017 3:07 PM
To: William Tan
Cc: Sarah Harris
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Hi Will,
From which version did you add the intercept language? We are still finalizing that language with the IESO so it may need to be revised/replaced once confirmed. Can you please highlight the small changes you are referring to?
Thank you,
Lisa

From: William Tan
Sent: Monday, October 30, 2017 3:03 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Hello Lisa,
I have discussed the Amending Agreement No. 10 with Sarah and made small changes and added the 5.7 Intercept language directly from the FHP.
Thanks,
Will

From: Lisa Stein
Sent: Monday, October 30, 2017 11:03 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Latest draft

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320
****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of ~~September~~November~~October~~, 2017

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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6.7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Date:	Monday, October 30, 2017 3:06:59 PM

Hi Will,

From which version did you add the intercept language? We are still finalizing that language with the IESO so it may need to be revised/replaced once confirmed. Can you please highlight the small changes you are referring to?

Thank you,

Lisa

From: William Tan

Sent: Monday, October 30, 2017 3:03 PM

To: Lisa Stein

Cc: Sarah Harris

Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Hello Lisa,

I have discussed the Amending Agreement No. 10 with Sarah and made small changes and added the 5.7 Intercept language directly from the FHP.

Thanks,

Will

From: Lisa Stein

Sent: Monday, October 30, 2017 11:03 AM

To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Latest draft

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Date:	Monday, October 30, 2017 3:06:59 PM

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Sent: Monday, October 30, 2017 3:03 PM

To: Lisa Stein

Cc: Sarah Harris

Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

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Thanks,

Will

From: Lisa Stein

Sent: Monday, October 30, 2017 11:03 AM

To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Latest draft

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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****

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Date:	Monday, October 30, 2017 3:02:54 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Hello Lisa,

I have discussed the Amending Agreement No. 10 with Sarah and made small changes and added the 5.7 Intercept language directly from the FHP.

Thanks,

Will

From: Lisa Stein

Sent: Monday, October 30, 2017 11:03 AM

To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Latest draft

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of ~~September~~November~~October~~, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

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(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Date:	Monday, October 30, 2017 3:02:54 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Hello Lisa,

I have discussed the Amending Agreement No. 10 with Sarah and made small changes and added the 5.7 Intercept language directly from the FHP.

Thanks,

Will

From: Lisa Stein

Sent: Monday, October 30, 2017 11:03 AM

To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Latest draft

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of ~~September~~November~~October~~, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*.

~~4.~~5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

~~5.~~6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than

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28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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~~6.~~7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept

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(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement, including the schedules hereto, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~7.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~8.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~9.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

~~10.~~14. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan; Sarah Harris
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx
Date:	Monday, October 30, 2017 11:07:32 AM

Please wait before sending this draft. I might make a couple of additional amendments.

From: Lisa Stein

Sent: Monday, October 30, 2017 11:03 AM

To: William Tan ; Sarah Harris

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v4.docx

Latest draft

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From: Victor Buza
To: Lisa Stein
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Date: Friday, November 03, 2017 1:32:20 PM

Thanks Lisa – this version of AA#10 now looks fine.
We now need to make the final adjustments to both agreements based on the new November 6 closing. I will look at the documents this afternoon and forward any changes I note as required – I would like to be in a position to sign early on Monday if possible.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 9:53 AM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance: High

Hi Victor,
Please find attached the latest version of AA#10, incorporating that changes that you have requested. We have also included additional language pertaining to the "Transfer of Funds". Please let us know your thoughts and if you would like to discuss further.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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From:	Sarah Harris
To:	Lisa Stein
Cc:	William Tan
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Date:	Friday, November 03, 2017 9:41:10 AM
Attachments:	FW Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement .msg

Hi Lisa,

Thank you for the latest draft; it looks good. The only thing that we are waiting on to confirm is whether or not Ron or Gadi will be the signatory (Anna S. and John are apparently working it out in relation to the attached e-mail). For the sake of time, I suggest sending this draft to Victor with the caveat that there may be that one outstanding change.

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Sarah

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Legal Counsel
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From: William Tan []
To: Sarah Harris [Sarah.Harris@ofina.on.ca]
Subject: FW: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement
Date: Friday, November 03, 2017 09:10:25
Attachment 1: image001.jpg
Attachment 2: image001.jpg

From: Anna Strathy
Sent: Friday, November 03, 2017 7:41 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
Subject: Re: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

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Apologies for the late change in direction. Usman, I'll follow up separately with you on this to bring you up to speed.

Thanks, Anna

--
Anna Strathy
Special Policy Advisor to the CEO
Ontario Financing Authority
416.325.8032

On Nov 2, 2017, at 11:36 AM, Lisa Stein <Lisa.Stein@ofina.on.ca> wrote:

Agreed

From: John Kim
Sent: Thursday, November 02, 2017 11:32 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>

Subject: RE: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Thanks, makes sense.

From: Anna Strathy
Sent: Thursday, November 02, 2017 11:31 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>
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Hi William,

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Sent: Thursday, November 02, 2017 10:11 AM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hello John,

Mike is away on Friday and according to the OFA Signing authorities Resolution for Lending Instruments, Ronald Kwan and Gadi Mayman are the other two signatories. Do you mind checking on Ronald's availability to sign for the agreements today or tomorrow?
There is a possibility for the agreements to be ready for today but more likely for tomorrow.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400

Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Lending Instruments

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Chair;
CEO;
Executive Director, Capital Markets Division, OFA; or,
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

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Subject: FW: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement
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To: John Kim <John.Kim@ofina.on.ca>
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
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Subject: Signatories for FHP Credit Facility Agreement and Amending Agreement No. 10 Credit Facility Agreement

Hello John,

Mike is away on Friday and according to the OFA Signing authorities Resolution for Lending Instruments, Ronald Kwan and Gadi Mayman are the other two signatories. Do you mind checking on Ronald's availability to sign for the agreements today or tomorrow?
There is a possibility for the agreements to be ready for today but more likely for tomorrow.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400

Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Lending Instruments

Agreements for loans by the OFA to public bodies, including term sheets, may be signed by any of the following persons:

Chair;
CEO;
Executive Director, Capital Markets Division, OFA; or,
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

Lending Instruments

Agreements for loans by the OFA to public bodies, including term sheets, may be signed by any of the following persons:

Chair;
CEO;
Executive Director, Capital Markets Division, OFA; or,
Assistant Deputy Minister, Corporate and Electricity Finance Division, OFA.

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 IESO 615pm.docx
Date:	Thursday, November 02, 2017 10:26:52 AM

Hi Lisa,

Victor and Anthony has not provided their availability to me. I'll reach out to them now.

From: Lisa Stein
Sent: Thursday, November 02, 2017 10:24 AM
To: William Tan
Cc: Sarah Harris
Subject: FW: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 IESO 615pm.docx

Hi Will. Can you please arrange this call? My calendar is up to date.

Thanks,

Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, November 01, 2017 6:17 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 IESO 615pm.docx

Yes I think it would be helpful to have a call to discuss that section 14 just to ensure we are all on the same page about the mechanics and the language.

In the meantime, I accepted everything that appeared to me to be settled and did some formatting, including fully justifying all paragraphs (since it was a bit of a mixed bag), and indenting and adding quotes around some of the adders as needed. All changes should be tracked.

Look forward to finalizing this tomorrow.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 5:07 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Importance: High

Hi Victor,

Please find attached our latest draft of AA#10, with some further amendments blacklined. A further call with you and Anthony will likely be required to discuss our proposed changes to section 14.

Please let Will know your availability for tomorrow and he will set up the call.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****

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information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.

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From:	Victor Buza
To:	Lisa Stein
Cc:	Sarah Harris; William Tan; Anthony Martinello
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 IESO 615pm.docx
Date:	Wednesday, November 01, 2017 6:17:13 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 Rev IESO Nov1 615pm.docx

Yes I think it would be helpful to have a call to discuss that section 14 just to ensure we are all on the same page about the mechanics and the language.

In the meantime, I accepted everything that appeared to me to be settled and did some formatting, including fully justifying all paragraphs (since it was a bit of a mixed bag), and indenting and adding quotes around some of the adders as needed. All changes should be tracked.

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Victor

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Sent: November 01, 2017 5:07 PM
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Cc: Sarah Harris; William Tan; Anthony Martinello
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Importance: High

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Please let Will know your availability for tomorrow and he will set up the call.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st [day of November, 2017 (the "**Effective Date**")

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~a.~~ "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

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"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date

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of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"**Section 5.7 Intercept**

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **[DATE]** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the

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Commented [LS1]: NTD: Added same language as new FHP Credit Facility Agreement

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Commented [LS2]: NTD: This requires a date as the letter agreement will not be even dated with AA#10.

Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"**Section 7.9 Entire Agreement**

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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b. "**Other Financial Transactions**" means those transactions between the Parties to be completed ~~on the Effective Date~~ prior to the Effective Time in relation to:

i. the advance of ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated [INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, ~~in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts:~~

~~ii. the completion of all Advances (as defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date of this Amending Agreement, prior to the Commitment (as defined in the Credit Agreement).. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and~~

~~the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;~~

~~14.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. ~~to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Victor Buza
To:	Lisa Stein
Cc:	Sarah Harris; William Tan; Anthony Martinello
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 IESO 615pm.docx
Date:	Wednesday, November 01, 2017 6:17:13 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1 Rev IESO Nov1 615pm.docx

Yes I think it would be helpful to have a call to discuss that section 14 just to ensure we are all on the same page about the mechanics and the language.

In the meantime, I accepted everything that appeared to me to be settled and did some formatting, including fully justifying all paragraphs (since it was a bit of a mixed bag), and indenting and adding quotes around some of the adders as needed. All changes should be tracked.

Look forward to finalizing this tomorrow.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 01, 2017 5:07 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 1.docx
Importance: High

Hi Victor,

Please find attached our latest draft of AA#10, with some further amendments blacklined. A further call with you and Anthony will likely be required to discuss our proposed changes to section 14.

Please let Will know your availability for tomorrow and he will set up the call.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st [day of November, 2017 (the "**Effective Date**")

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BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~a.~~ "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

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"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date

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of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"**Section 5.7 Intercept**

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of **[DATE]** herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the

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Commented [LS1]: NTD: Added same language as new FHP Credit Facility Agreement

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Commented [LS2]: NTD: This requires a date as the letter agreement will not be even dated with AA#10.

Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"**Section 7.9 Entire Agreement**

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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Commented [LS3]: NTD: To be amended in FHP Credit Facility Agreement

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b. "**Other Financial Transactions**" means those transactions between the Parties to be completed ~~on the Effective Date~~ prior to the Effective Time in relation to:

i. the advance of ~~funds~~the First Advance as defined under section 3.2(3) ~~a separate~~of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated [INSERT] (the **"FHP Agreement")** and the subsequent provision by OFA to the IESO of an updated grid in respect of the grid note issued under the Credit Agreement evidencing the repayment of the Repayment Amount (as defined under section 3.2(3) of the FHP Agreement); and, ~~in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts:~~

~~ii. the completion of all Advances (as defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date of this Amending Agreement, prior to the Commitment (as defined in the Credit Agreement).. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and~~

~~the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;~~

~~14.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. ~~to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Victor Buza
To:	William Tan
Cc:	Anthony Martinello; Lisa Stein; Sarah Harris; John Kim
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx
Date:	Wednesday, November 01, 2017 1:12:54 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version blacklined v5 from OFA Oct 31 IESO Comments Nov1.docx
Importance:	High

Please see our proposed amendments to AA#10 in the attached document. I have attempted to reflect in s.14 those issues that came up yesterday on our call in relation to the timing and documentation of the separate transactions. Whether it is right may depend in part on what Sarah's internal discussions yielded re these issues (i.e. we were thinking that all transactions will occur on the 21st and so drafted accordingly).

It may make sense for me to walk through this with one or more of you just so we aren't delayed. I am available for a call anytime this afternoon except from 2:30 to 3:00.

Victor

416-969-6079

From: William Tan [mailto:William.Tan@ofina.on.ca]

Sent: October 31, 2017 1:18 PM

To: Victor Buza

Cc: Anthony Martinello; Lisa Stein; Sarah Harris; John Kim

Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v5.docx

Hello Victor,

Please find attached the latest black-lined version of the OFA IESO Amending Agreement No. 10. In this version, we have made amendments to the effective date of the agreement, Permitted Liens, Section 5.2 Acceleration of Maturity; Rescission and Annulment, Section 5.7 Intercept (To be replaced with finalized language from new FHP credit facility agreement) and Section 7.9 Entire Agreement.

Please let us know if you have any further comments or if you would like to discuss further. If you are satisfied with this version, we will prepare an execution version and also send over AA#10 for your review.

Thank you,

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd [**NTD: VERIFY DATE – 21st?**]day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

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acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date~~:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of

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Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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Commented [VB1]: Note - connected the two paras.

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept [NOTE FROM IESO – OFA to revise per final OEHP credit agreement language]

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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b. "**Other Financial Transactions**" means those transactions between the Parties to be completed on the Effective Date prior to the Effective Time in relation to:

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i. the advance of funds under a separate credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;

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ii. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in

the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and

iii. the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ~~—~~22nd [**NTD: VERIFY DATE – 21st?**]day of ~~September~~November~~October~~, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; ~~and~~ (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

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acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):~~Date~~:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   ~~2.~~a. (k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

~~3.~~4. The following definitions are added to Section 1.1 of the Agreement

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of

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Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

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Commented [VB1]: Note - connected the two paras.

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

Section 5.7 Intercept [NOTE FROM IESO – OFA to revise per final OEHP credit agreement language]

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

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Commented [LS2]: NTD: Replace with finalized language from new FHP credit facility agreement

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(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

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10. Section 7.9 "Entire Agreement' is added to the Agreement, stating as follows:

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Section 7.9 Entire Agreement

This Agreement as amended from time to time and~~,~~ including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

~~8.~~11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

~~9.~~12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

~~10.~~13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means that time on the Effective Date which is the later of (i) 2:00 p.m. and (ii) the time by which the Other Financial Transactions have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

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b. "**Other Financial Transactions**" means those transactions between the Parties to be completed on the Effective Date prior to the Effective Time in relation to:

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i. the advance of funds under a separate credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP in an amount equal to the reduction of the balance referred to in ii. immediately following, plus additional amounts;

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ii. the reduction to nil of the balance owing by IESO to OFA under the Credit Agreement **[INSERT $$ NUMBER?]** in connection with the IESO's role in

the implementation of the OFHP as of the Effective Date [**as reflected on a revised grid? Suggests there would be two grids but not sure**]; and

iii. the continuation of the certain prior advances and the making of new advances to IESO under the Credit Agreement;

~~11.~~15. After the Effective Time,~~On the date of this Amending Agreement~~ and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time.~~ to date of $401,878,030.42.~~ Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

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IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 ~~as of the date first above written~~.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Victor Buza
To:	Lisa Stein
Cc:	Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject:	RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Date:	Friday, November 03, 2017 3:16:38 PM

I'll look at them now and do the adjustments and give you a call if I have any questions.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 2:31 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Thank you Victor. Please let me know if you would like to discuss the adjustments. Just to clarify – will you be preparing the execution versions?

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, November 03, 2017 1:32 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Thanks Lisa – this version of AA#10 now looks fine.
We now need to make the final adjustments to both agreements based on the new November 6 closing. I will look at the documents this afternoon and forward any changes I note as required – I would like to be in a position to sign early on Monday if possible.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 9:53 AM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance: High
Hi Victor,
Please find attached the latest version of AA#10, incorporating that changes that you have requested. We have also included additional language pertaining to the "Transfer of Funds". Please let us know your thoughts and if you would like to discuss further.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320
****

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From: Lisa Stein
To: William Tan; Sarah Harris
Subject: RE: OFA IESO Amending Agreement No 10 OFA Sep10.docx
Date: Monday, September 11, 2017 2:41:09 PM

Hi Will,

There is a typo in the added "Authorized Signatory" in the grid note. Otherwise no other comments.

Lisa

From: William Tan
Sent: Monday, September 11, 2017 2:11 PM
To: Lisa Stein ; Sarah Harris
Subject: RE: OFA IESO Amending Agreement No 10 OFA Sep10.docx

Hello Lisa,

I have accepted the appropriate changes made minor changes. If you don't have additional comments, I will forward this version to Anthony and Victor.

Thanks,

Will

From: Lisa Stein
Sent: Monday, September 11, 2017 11:59 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: OFA IESO Amending Agreement No 10 OFA Sep10.docx

Latest black-lined version, as discussed.

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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****

From: William Tan
To: Lisa Stein; Sarah Harris
Subject: RE: OFA IESO Amending Agreement No 10 OFA Sep10.docx
Date: Monday, September 11, 2017 2:11:06 PM
Attachments: OFA IESO Amending Agreement No 10 OFA Sep10.docx

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Hello Lisa,

I have accepted the appropriate changes made minor changes. If you don't have additional comments, I will forward this version to Anthony and Victor.

Thanks,

Will

From: Lisa Stein

Sent: Monday, September 11, 2017 11:59 AM

To: Sarah Harris ; William Tan

Subject: OFA IESO Amending Agreement No 10 OFA Sep10.docx

Latest black-lined version, as discussed.

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the ~~grid promissory note~~Grid Note~~e~~ (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such Advances~~advances~~ and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

Commented [LS1]: Program to confirm,

Commented [WT2R1]: Amended as per previous comment.

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A3]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Commented [VB4]: Change of reference

Commented [WT5R4]: Amended as per comment.

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per~~By~~: _____

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Name:
Authoritzed Signatory

Commented [WT6]: Lisa, amended to be consistent with schedule 1&2 above and FHP.

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

From: William Tan
To: Lisa Stein; Sarah Harris
Subject: RE: OFA IESO Amending Agreement No 10 OFA Sep10.docx
Date: Monday, September 11, 2017 2:11:06 PM
Attachments: OFA IESO Amending Agreement No 10 OFA Sep10.docx

---

Hello Lisa,

I have accepted the appropriate changes made minor changes. If you don't have additional comments, I will forward this version to Anthony and Victor.

Thanks,

Will

From: Lisa Stein

Sent: Monday, September 11, 2017 11:59 AM

To: Sarah Harris ; William Tan

Subject: OFA IESO Amending Agreement No 10 OFA Sep10.docx

Latest black-lined version, as discussed.

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the (·) day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the ~~grid promissory note~~Grid Note~~e~~ (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of ~~the~~ such Advances~~advances~~ and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

Commented [LS1]: Program to confirm,

Commented [WT2R1]: Amended as per previous comment.

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

Commented [A3]: As of August 21, 2017. IESO to confirm.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Commented [VB4]: Change of reference

Commented [WT5R4]: Amended as per comment.

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per~~By~~: _____

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Name:
Authoritzed Signatory

Commented [WT6]: Lisa, amended to be consistent with schedule 1&2 above and FHP.

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

Ontario Financing Authority

Line of Credit Grid Note

Entity :	**Independent Electricity System Operator**
Loan Limit:	**475,000,000.00**
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	**Principal Advanced or Rollover Amount**	**Interest Rate**	**Repayment Date**	**Total No. Of Days**	**Interest Amount**	**Actual Repayment**	**Principal**	**Interest**	**Actual Repayment Date**	**Actual No. Of Days**

From:	William Tan
To:	Lisa Stein; Sarah Harris
Subject:	RE: OFA IESO Amending Agreement No 10 OFA Sep10.docx
Date:	Monday, September 11, 2017 2:43:42 PM

Noted thank you Lisa.

From: Lisa Stein
Sent: Monday, September 11, 2017 2:41 PM
To: William Tan ; Sarah Harris
Subject: RE: OFA IESO Amending Agreement No 10 OFA Sep10.docx

Hi Will,

There is a typo in the added "Authorized Signatory" in the grid note. Otherwise no other comments.

Lisa

From: William Tan
Sent: Monday, September 11, 2017 2:11 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OFA IESO Amending Agreement No 10 OFA Sep10.docx

Hello Lisa,

I have accepted the appropriate changes made minor changes. If you don't have additional comments, I will forward this version to Anthony and Victor.

Thanks,

Will

From: Lisa Stein
Sent: Monday, September 11, 2017 11:59 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: OFA IESO Amending Agreement No 10 OFA Sep10.docx

Latest black-lined version, as discussed.

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; Anthony Martinello; John Kim; Sarah Neville
Subject:	RE: OFA IESO FHP Credit Agreement and Amending Agreement No 10 - Execution Versions
Date:	Friday, November 03, 2017 5:40:30 PM

Hi Victor,

These amendments reflect our discussion from this afternoon and I have no further comments on these two agreements.

Thank you and have a great weekend,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, November 03, 2017 5:33 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: OFA IESO FHP Credit Agreement and Amending Agreement No 10 - Execution Versions

Per our call earlier this afternoon, please find attached clean and blacklined versions of the FHP Credit Agreement and Amending Agreement No.10 to the Existing Credit Agreement. These are ready for execution on Monday.

Per our discussion, I have removed the names of the OFA signatories which I understand you will fill in by hand when completed. Other than that there are very few changes to the text. Please note that in the final version of the FHP agreement I fixed the justification of the first two paragraphs of s.5.7 the Intercept clause (changed from full justify to left justify, consistent with the remainder of that clause and the Agreement generally).

As mentioned, I have also prepared separate Grid Notes for both agreements in the $2Bn and $475MM amounts. The $2Bn Note will be effective immediately and so will be provided by same day delivery. The $475MM Note does not become effective until the Effective Time on November 21 so we should discuss the appropriate manner of dealing with this Note pending its coming into effect.

Finally, I have updated the Incumbency Certificate and Certified Board Resolution to show current dates, and will complete the Intercept Letter with a Nov 6 date on Monday.

Let me know if you have any questions.

Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: Victor Buza
Sent: November 03, 2017 3:17 PM
To: 'Lisa Stein'
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

I'll look at them now and do the adjustments and give you a call if I have any questions.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 2:31 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

Thank you Victor. Please let me know if you would like to discuss the adjustments. Just to clarify – will you be preparing the execution versions?

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, November 03, 2017 1:32 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

Thanks Lisa – this version of AA#10 now looks fine.

We now need to make the final adjustments to both agreements based on the new November 6 closing. I will look at the documents this afternoon and forward any changes I note as required – I would like to be in a position to sign early on Monday if possible.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 9:53 AM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance: High

Hi Victor,

Please find attached the latest version of AA#10, incorporating that changes that you have requested. We have also included additional language pertaining to the "Transfer of Funds". Please let us know your thoughts and if you would like to discuss further.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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To:	Lisa Stein
Cc:	Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject:	RE: OFA IESO FHP Credit Agreement and Amending Agreement No 10 - Execution Versions
Date:	Friday, November 03, 2017 5:33:14 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version - FINAL - blackline Nov 3.docx OFA IESO Amending Agreement No 10 - Execution Version - FINAL.docx OFA IESO Amending Agreement No 10 - Execution Version - FINAL.pdf FHP Revolving Credit Facility Agreement 2017-2022 Execution Version - FINAL - Markup Nov 3.docx FHP Revolving Credit Facility Agreement 2017-2022 Execution Version - FINAL.docx FHP Revolving Credit Facility Agreement 2017-2022 Execution Version - FINAL.pdf

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Per our discussion, I have removed the names of the OFA signatories which I understand you will fill in by hand when completed. Other than that there are very few changes to the text. Please note that in the final version of the FHP agreement I fixed the justification of the first two paragraphs of s.5.7 the Intercept clause (changed from full justify to left justify, consistent with the remainder of that clause and the Agreement generally).

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Finally, I have updated the Incumbency Certificate and Certified Board Resolution to show current dates, and will complete the Intercept Letter with a Nov 6 date on Monday.

Let me know if you have any questions.

Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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To: 'Lisa Stein'
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim

Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

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Sent: November 03, 2017 2:31 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

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Sent: Friday, November 03, 2017 1:32 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>
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Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance: High

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Lisa

Lisa N. Stein
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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st day of November, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "**Parties**")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

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acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

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"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

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(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment

Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of November 6th ~~3rd~~, 2017 herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

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(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

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10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date, being:

   i. the First Advance as defined under section 3.2(3) of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 6~~3~~, 2017; and,

   ii. the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date; and,

   iii. the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,

   iv. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.

16. After the Effective Time, and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

17. This Amending Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amending Agreement.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement on the dates set out below, which shall come into effect as of the Effective Time as defined herein.

ONTARIO FINANCING AUTHORITY

Per: _____ Date: November _____, 2017.
Name: ~~Gadi Mayman~~
Title: ~~Chief Executive Officer~~

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____ Date: November_____, 2017.
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st day of November, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "**Parties**")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   > "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   > "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   > **"Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.
   >
   > "**Continued Advance"** has the meaning specified in Section 3.3(1).
   >
   > "**Current Repayment Date**" has the meaning specified in Section 3.3(2).
   >
   > "**New Repayment Date**" has the meaning specified in Section 3.3(2).
   >
   > **"OFHP"** means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   > "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998,* as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment

Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of November 6th , 2017 herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date, being:

   i. the First Advance as defined under section 3.2(3) of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 6, 2017; and,

   ii. the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date; and,

   iii. the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,

   iv. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.

16. After the Effective Time, and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

17. This Amending Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amending Agreement.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement on the dates set out below, which shall come into effect as of the Effective Time as defined herein.

ONTARIO FINANCING AUTHORITY

Per: _____ Date: November _____, 2017.
Name:
Title:

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____ Date: November_____, 2017.
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st day of November, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "**Parties**")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   > "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   > "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   > **"Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.
   >
   > "**Continued Advance"** has the meaning specified in Section 3.3(1).
   >
   > "**Current Repayment Date**" has the meaning specified in Section 3.3(2).
   >
   > "**New Repayment Date**" has the meaning specified in Section 3.3(2).
   >
   > **"OFHP"** means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   > "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment

Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of November 6th , 2017 herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date, being:

   i. the First Advance as defined under section 3.2(3) of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 6, 2017; and,

   ii. the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date; and,

   iii. the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,

   iv. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.

16. After the Effective Time, and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

17. This Amending Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amending Agreement.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement on the dates set out below, which shall come into effect as of the Effective Time as defined herein.

ONTARIO FINANCING AUTHORITY

Per: _____ Date: November _____, 2017.
Name:
Title:

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____ Date: November_____, 2017.
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of November~~October~~ 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license

or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other

lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or

inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the

prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: ~~Michael D. Manning~~
Title: ~~Executive Director & Chief Investment Officer, Capital Markets Division~~

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

Formatted: Indent: Left: 0", Hanging: 0.5"

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]** as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of November 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license

or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO’s role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other

lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or

inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the

prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name:
Title:

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]** as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of November 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license

or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other

lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or

inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the

prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name:
Title:

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]** as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Victor Buza
To:	Lisa Stein
Cc:	Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject:	RE: OFA IESO FHP Credit Agreement and Amending Agreement No 10 - Execution Versions
Date:	Friday, November 03, 2017 5:33:14 PM
Attachments:	OFA IESO Amending Agreement No 10 - Execution Version - FINAL - blackline Nov 3.docx OFA IESO Amending Agreement No 10 - Execution Version - FINAL.docx OFA IESO Amending Agreement No 10 - Execution Version - FINAL.pdf FHP Revolving Credit Facility Agreement 2017-2022 Execution Version - FINAL - Markup Nov 3.docx FHP Revolving Credit Facility Agreement 2017-2022 Execution Version - FINAL.docx FHP Revolving Credit Facility Agreement 2017-2022 Execution Version - FINAL.pdf

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Per our call earlier this afternoon, please find attached clean and blacklined versions of the FHP Credit Agreement and Amending Agreement No.10 to the Existing Credit Agreement. These are ready for execution on Monday.

Per our discussion, I have removed the names of the OFA signatories which I understand you will fill in by hand when completed. Other than that there are very few changes to the text. Please note that in the final version of the FHP agreement I fixed the justification of the first two paragraphs of s.5.7 the Intercept clause (changed from full justify to left justify, consistent with the remainder of that clause and the Agreement generally).

As mentioned, I have also prepared separate Grid Notes for both agreements in the $2Bn and $475MM amounts. The $2Bn Note will be effective immediately and so will be provided by same day delivery. The $475MM Note does not become effective until the Effective Time on November 21 so we should discuss the appropriate manner of dealing with this Note pending its coming into effect.

Finally, I have updated the Incumbency Certificate and Certified Board Resolution to show current dates, and will complete the Intercept Letter with a Nov 6 date on Monday.

Let me know if you have any questions.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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From: Victor Buza
Sent: November 03, 2017 3:17 PM
To: 'Lisa Stein'
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

I'll look at them now and do the adjustments and give you a call if I have any questions.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 2:31 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

Thank you Victor. Please let me know if you would like to discuss the adjustments. Just to clarify – will you be preparing the execution versions?

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, November 03, 2017 1:32 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

Thanks Lisa – this version of AA#10 now looks fine.
We now need to make the final adjustments to both agreements based on the new November 6 closing. I will look at the documents this afternoon and forward any changes I note as required – I would like to be in a position to sign early on Monday if possible.
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 9:53 AM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance: High

Hi Victor,
Please find attached the latest version of AA#10, incorporating that changes that you have requested. We have also included additional language pertaining to the "Transfer of Funds". Please let us know your thoughts and if you would like to discuss further.
Thank you,
Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st day of November, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "**Parties**")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

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acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   "Clean Energy Adjustment" has the same meaning as that term is defined in the OFHP.

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

   "OFHP" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

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"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

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(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment

Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of November 6th ~~3rd~~, 2017 herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

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(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

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10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date, being:

   i. the First Advance as defined under section 3.2(3) of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 6~~3~~, 2017; and,

   ii. the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date; and,

   iii. the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,

   iv. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.

16. After the Effective Time, and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

17. This Amending Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amending Agreement.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement on the dates set out below, which shall come into effect as of the Effective Time as defined herein.

ONTARIO FINANCING AUTHORITY

Per: _____ Date: November _____, 2017.
Name: ~~Gadi Mayman~~
Title: ~~Chief Executive Officer~~

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____ Date: November_____, 2017.
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st day of November, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "**Parties**")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   > "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   > "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   > **"Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.
   >
   > "**Continued Advance"** has the meaning specified in Section 3.3(1).
   >
   > "**Current Repayment Date**" has the meaning specified in Section 3.3(2).
   >
   > "**New Repayment Date**" has the meaning specified in Section 3.3(2).
   >
   > **"OFHP"** means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   > "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998,* as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment

Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of November 6th , 2017 herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date, being:

   i. the First Advance as defined under section 3.2(3) of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 6, 2017; and,

   ii. the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date; and,

   iii. the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,

   iv. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.

16. After the Effective Time, and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

17. This Amending Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amending Agreement.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement on the dates set out below, which shall come into effect as of the Effective Time as defined herein.

ONTARIO FINANCING AUTHORITY

Per: _____ Date: November _____, 2017.
Name:
Title:

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____ Date: November_____, 2017.
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the 21st day of November, 2017 (the "**Effective Date**")

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "**Parties**")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" (**"IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; (iii) amend the Form of Election Notice and related provisions under the Credit Agreement; and (iv) make other amendments required as a consequence of the implementation of the OFHP (as defined below);

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby

acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that, as of the Effective Time (as defined below):

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   > "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "**Commitment**" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The definition of "**Permitted Liens**" is amended by deleting the word "and" at the end of subsection (i); replacing the "." at the end of subsection (j) and replacing it with "; and" ; and adding the following subsection (k):

   > "(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP."

4. The following definitions are added to Section 1.1 of the Credit Agreement:

   > **"Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.
   >
   > "**Continued Advance"** has the meaning specified in Section 3.3(1).
   >
   > "**Current Repayment Date**" has the meaning specified in Section 3.3(2).
   >
   > "**New Repayment Date**" has the meaning specified in Section 3.3(2).
   >
   > **"OFHP"** means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

5. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety (with the exception of the title of the section, which exception also applies regarding the amendments made under sections 6, 7 and 8 hereof) and replaced by the following:

   > "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

6. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

7. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

"(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment

Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

8. Section 5.2 "Acceleration of Maturity; Recission and Annulement" of the Credit Agreement is deleted in its entirety and replaced by the following:

"If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement."

9. Section 5.7 "Intercept" is added to the Credit Agreement, stating as follows:

"Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of November 6th , 2017 herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail."

10. Section 7.9 "Entire Agreement' is added to the Credit Agreement, stating as follows:

"Section 7.9 Entire Agreement

This Agreement as amended from time to time and including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement."

11. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

12. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

13. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

14. For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date, being:

   i. the First Advance as defined under section 3.2(3) of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 6, 2017; and,

   ii. the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date; and,

   iii. the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,

   iv. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

15. The Parties shall endeavour to complete and exchange all usual documentation relating to the Transfers of Funds, and to any other related matters occurring on the Effective Date, prior to 5:00 p.m. on the Effective Date, and in any case no later than the next business day.

16. After the Effective Time, and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding as of the Effective Time. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

17. This Amending Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amending Agreement.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement on the dates set out below, which shall come into effect as of the Effective Time as defined herein.

ONTARIO FINANCING AUTHORITY

Per: _____ Date: November _____, 2017.
Name:
Title:

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____ Date: November_____, 2017.
Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of November~~October~~ 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license

or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other

lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or

inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the

prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: ~~Michael D. Manning~~
Title: ~~Executive Director & Chief Investment Officer, Capital Markets Division~~

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

Formatted: Indent: Left: 0", Hanging: 0.5"

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]** as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of November 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license

or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO’s role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other

lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or

inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the

prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name:
Title:

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]** as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: November ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of November 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"**First Advance**" has the meaning specified in Section 3.2(3).

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*, S.O. 2017, c. 16, Schedule 1, including any regulations made thereunder, and all as amended from time to time.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license

or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other

lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

(3) Respecting the first Advance to be made under this Agreement (the "**First Advance**"), a specified portion thereof (the "**Repayment Amount**") shall be used to repay a portion of the IESO's outstanding indebtedness to the OFA under the credit agreement between the Parties dated January 1, 2005, as amended (the "**Existing Credit Facility**"). The amount of the Repayment Amount shall be detailed in the Borrowing Notice issued in respect of the First Advance. Concurrently with the First Advance, OFA shall provide to IESO an updated grid in respect of the grid note issued under the Existing Credit Facility evidencing the repayment of the Repayment Amount thereunder.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Repayment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that, in accordance with the terms of the letter agreement of even date herewith entered between the Ministry of Energy, the IESO and the OFA made pursuant to Section 23 of the *Capital Investment Plan Act, 1993* (the "**Intercept Letter**"), the Minister of Finance is entitled to deduct only from those monies appropriated by the Legislature for payment through the Ministry of Energy to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay to the OFA on account of indebtedness under this Agreement. On the occurrence of an Event of Default relating to a failure by IESO to pay when due any amounts owing hereunder, subject to the OFA's compliance with any relevant provisions hereof and as set out in the Intercept Letter, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO has failed to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If, after following the process specified in the Intercept Letter (including, without limitation, allowing for a reasonable cure period on the terms specified therein), the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, detailing the IESO's failure to pay when due any amounts owing hereunder and requesting the deduction from the Appropriated Funds of amounts equal to the amounts that the IESO has failed to pay to the OFA under this Agreement.

(c) The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO has failed to pay when due to the OFA on account of indebtedness under this Agreement shall be deducted from the Appropriated Funds and paid to the OFA.

(d) For further certainty, the OFA acknowledges and agrees that the Intercept as provided for herein and in the Intercept Letter shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than the Ministry of Energy or through Ontario Climate Change Solutions Deployment Corporation.

(e) The parties agree that, with respect to the exercise of the Intercept generally, the terms of this section 5.7 shall be applied consistently with the terms set out in the Intercept Letter which shall apply in full. Notwithstanding the foregoing, in the event of a conflict or

inconsistency between the terms and conditions of the Intercept Letter and the terms and conditions contained in this Agreement, the terms and conditions contained in this Agreement shall prevail.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the

prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement, including the schedules hereto and any other agreements expressly referred to herein, constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the Parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name:
Title:

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated **[INSERT DATE]** as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	"Victor Buza"
Cc:	Sarah Harris; William Tan; Anthony Martinello; John Kim; Sarah Neville
Subject:	RE: OFA IESO FHP Credit Agreement and Amending Agreement No 10 - Execution Versions
Date:	Friday, November 03, 2017 5:40:30 PM

Hi Victor,

These amendments reflect our discussion from this afternoon and I have no further comments on these two agreements.

Thank you and have a great weekend,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, November 03, 2017 5:33 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; Anthony Martinello ; John Kim
Subject: RE: OFA IESO FHP Credit Agreement and Amending Agreement No 10 - Execution Versions

Per our call earlier this afternoon, please find attached clean and blacklined versions of the FHP Credit Agreement and Amending Agreement No.10 to the Existing Credit Agreement. These are ready for execution on Monday.

Per our discussion, I have removed the names of the OFA signatories which I understand you will fill in by hand when completed. Other than that there are very few changes to the text. Please note that in the final version of the FHP agreement I fixed the justification of the first two paragraphs of s.5.7 the Intercept clause (changed from full justify to left justify, consistent with the remainder of that clause and the Agreement generally).

As mentioned, I have also prepared separate Grid Notes for both agreements in the $2Bn and $475MM amounts. The $2Bn Note will be effective immediately and so will be provided by same day delivery. The $475MM Note does not become effective until the Effective Time on November 21 so we should discuss the appropriate manner of dealing with this Note pending its coming into effect.

Finally, I have updated the Incumbency Certificate and Certified Board Resolution to show current dates, and will complete the Intercept Letter with a Nov 6 date on Monday.

Let me know if you have any questions.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca] | Twitter: IESO_Tweets[twitter.com] | LinkedIn: IESO[linkedin.com]

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and delete this email message.

From: Victor Buza
Sent: November 03, 2017 3:17 PM
To: 'Lisa Stein'
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

I'll look at them now and do the adjustments and give you a call if I have any questions.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 2:31 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

Thank you Victor. Please let me know if you would like to discuss the adjustments. Just to clarify – will you be preparing the execution versions?

From: Victor Buza [mailto:Victor.Buza@ieso.ca]

Sent: Friday, November 03, 2017 1:32 PM

To: Lisa Stein <Lisa.Stein@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>; John Kim <John.Kim@ofina.on.ca>

Subject: RE: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx

Thanks Lisa – this version of AA#10 now looks fine.

We now need to make the final adjustments to both agreements based on the new November 6 closing. I will look at the documents this afternoon and forward any changes I note as required – I would like to be in a position to sign early on Monday if possible.

Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: November 03, 2017 9:53 AM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: OFA IESO Amending Agreement No 10 - Execution Version blacklined v6 OFA Nov 2 rev.docx
Importance: High

Hi Victor,

Please find attached the latest version of AA#10, incorporating that changes that you have requested. We have also included additional language pertaining to the "Transfer of Funds". Please let us know your thoughts and if you would like to discuss further.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
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from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

From:	Siva Nathan
To:	Sarah Harris
Cc:	Siva Nathan
Subject:	RE: OFA-IESO Credit Facilities
Date:	Monday, October 16, 2017 12:38:43 PM

Thanks Sarah.
Siva

From: Sarah Harris
Sent: Monday, October 16, 2017 12:29 PM
To: Siva Nathan
Subject: RE: OFA-IESO Credit Facilities

Hello Siva,

Unfortunately the credit facilities have not yet been executed, as we are still waiting higher level approvals before we can sign.

As a quick update, the next IESO draw will occur on October 20, for $840 million (outstanding loan + new advance) will be under the existing $975 million facility. The amount for the subsequent draw on November 21, is currently unknown but is expected to exceed the existing $975 million OFA IESO Credit Facility limit.

Assuming the $2 Billion FHP Credit Facility agreement is signed before November 21, we are considering two options for the November 21 advances:

(1) IESO will submit a borrowing notice for the November draw to be drawn entirely from the $2 Billion FHP Credit Facility.

Or

(2) IESO will submit a borrowing notice to draw a portion from the $2 Billion FHP Credit Facility in combination with an election notice to draw a portion of the remaining outstanding amount to allow for the existing OFA IESO Credit Facility to be reduced to a level below $475 million (for which the facility limit will then be subsequently reduced to $475 million).

We will be consulting with IESO to determine which of these options will be chosen; this of course turns on the final approvals for the new $2B FHP facility going through.

Thanks,
Sarah

From: Siva Nathan
Sent: Monday, October 16, 2017 12:20 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities

Hi Sarah,

Can you please send me a Final copy of OFA-IESO Credit Facilities?

Thanks
Siva

From: Siva Nathan
Sent: Wednesday, September 06, 2017 11:02 AM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>; Faran Ali <Faran.Ali@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>

Subject: FW: OFA-IESO Credit Facilities

Please note when you prepare September 30, 2017 financials.

From: Siva Nathan
Sent: Friday, August 18, 2017 4:18 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities

Hi Sarah,

In the future, please include my name in the distribution list. I need these information with regards to IESO loans for OEFC FS disclosure.

Thanks

Siva

From: Ken Kandeepan
Sent: Tuesday, August 15, 2017 11:59 AM
To: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities

You should have been included in this as well.

Thanks

Ken k

From: Sarah Harris
Sent: Tuesday, August 15, 2017 11:53 AM
To: Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>; John Psinas <John.Psinas@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; George Sakura <George.Sakura@ofina.on.ca>; Graham Monroe <Graham.Monroe@ofina.on.ca>; Tony Dong <Tony.Dong@ofina.on.ca>
Cc: Bruno Amara <Bruno.Amara@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Opal Kandelas <Opal.Kandelas@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Subject: OFA-IESO Credit Facilities

Hello,

We are currently in the process of working on a new $2B OFA-IESO Credit Facility to provide funding in respect of the Ontario Fair Hydro Plan. Under this framework, the existing $975 million OFA-IESO Credit Facility is to be reduced to $475 million. Due to a required Ministerial approval, the new $2B facility will not be executed until mid-September (estimate).

Once the new $2B facility is in place, the OFA would be looking to re-allocate certain loans (TBD) from the existing $975M credit facility to the new $2B facility, in order to bring the existing facility under the new intended $475 million limit. Effectively, under the legal agreements, it would be transferring certain loans from the existing facility to the new facility. The intention is that there will be no movement of funds and therefore no cash impact (that is, IESO does not repay the existing loans, and the OFA does not fund the new loans).

Would you please confirm if there are any obstacles from an operational perspective (settlement, cash, accounting, risk) with transferring any ‘excess loan amount’ from the existing credit facility to the new FHP credit facility?

Thanks,

Sarah

From: Sarah Harris
To: Siva Nathan
Subject: RE: OFA-IESO Credit Facilities
Date: Monday, October 16, 2017 12:29:07 PM

Hello Siva,

Unfortunately the credit facilities have not yet been executed, as we are still waiting higher level approvals before we can sign.

As a quick update, the next IESO draw will occur on October 20, for $840 million (outstanding loan + new advance) will be under the existing $975 million facility. The amount for the subsequent draw on November 21, is currently unknown but is expected to exceed the existing $975 million OFA IESO Credit Facility limit.

Assuming the $2 Billion FHP Credit Facility agreement is signed before November 21, we are considering two options for the November 21 advances:

(1) IESO will submit a borrowing notice for the November draw to be drawn entirely from the $2 Billion FHP Credit Facility.

Or

(2) IESO will submit a borrowing notice to draw a portion from the $2 Billion FHP Credit Facility in combination with an election notice to draw a portion of the remaining outstanding amount to allow for the existing OFA IESO Credit Facility to be reduced to a level below $475 million (for which the facility limit will then be subsequently reduced to $475 million).

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Thanks
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To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>; Faran Ali <Faran.Ali@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
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Cc: Bruno Amara <Bruno.Amara@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Opal Kandelas <Opal.Kandelas@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
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Would you please confirm if there are any obstacles from an operational perspective (settlement, cash, accounting, risk) with transferring any 'excess loan amount' from the existing credit facility to the new FHP credit facility?
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Sent: Wednesday, September 06, 2017 11:02 AM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>; Faran Ali <Faran.Ali@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities

Please note when you prepare September 30, 2017 financials.

From: Siva Nathan
Sent: Friday, August 18, 2017 4:18 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities

Hi Sarah,
In the future, please include my name in the distribution list. I need these information with regards to IESO loans for OEFC FS disclosure.
Thanks
Siva

From: Ken Kandeepan
Sent: Tuesday, August 15, 2017 11:59 AM
To: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities
You should have been included in this as well.
Thanks
Ken k

From: Sarah Harris
Sent: Tuesday, August 15, 2017 11:53 AM
To: Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>; John Psinas <John.Psinas@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; George Sakura <George.Sakura@ofina.on.ca>; Graham Monroe <Graham.Monroe@ofina.on.ca>; Tony Dong <Tony.Dong@ofina.on.ca>
Cc: Bruno Amara <Bruno.Amara@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Opal Kandelas <Opal.Kandelas@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
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Hello,
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Thanks,
Sarah

From:	Alfonso Soriano
To:	William Tan; Alfonso Soriano
Cc:	Sarah Harris
Subject:	RE: OFA-IESO Credit Facilities
Date:	Thursday, October 05, 2017 3:45:56 PM

Thanks.

From: William Tan
Sent: Thursday, October 05, 2017 3:31 PM
To: Alfonso Soriano
Cc: Sarah Harris
Subject: FW: OFA-IESO Credit Facilities

Hello Alfonso,

I have contacted IESO and for information from a Cash Management perspective.

1. Next advancement is for $840 million total. $235 million plus the rollover of $605 million (subject to change) with less than two weeks to go until October 18 to be advance on the **20th. (21st is a Saturday)**
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   Numbers off by: $20 million very likely.
   $50 million somewhat likely
   $100 million not likely but can happen.
8. Contact
   Anthony Martinello
   Director, Treasury & Pension Operations
   Independent Electricity System Operator (IESO)
   905.403.6944
   Station A, Box 4474, Toronto, ON, M5W 4E5

Anthony.Martinello@ieso.ca

From: William Tan
Sent: Friday, September 22, 2017 10:41 AM
To: Risa Thau <Risa.Thau@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>; George Sakura <George.Sakura@ofina.on.ca>; Graham Monroe <Graham.Monroe@ofina.on.ca>; Tony Dong <Tony.Dong@ofina.on.ca>
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Hwang <Kevin.Hwang@ofina.on.ca>
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Sent: Thursday, August 17, 2017 9:46 AM
To: Risa Thau <Risa.Thau@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Alfonso Soriano <Alfonso.Soriano@ofina.on.ca>; George Sakura <George.Sakura@ofina.on.ca>; Graham Monroe <Graham.Monroe@ofina.on.ca>; Tony Dong <Tony.Dong@ofina.on.ca>
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Thanks,

Sarah

From:	Siva Nathan
To:	Sarah Harris
Cc:	Siva Nathan
Subject:	RE: OFA-IESO Credit Facilities
Date:	Monday, October 16, 2017 12:38:43 PM

Thanks Sarah.
Siva

From: Sarah Harris
Sent: Monday, October 16, 2017 12:29 PM
To: Siva Nathan
Subject: RE: OFA-IESO Credit Facilities

Hello Siva,

Unfortunately the credit facilities have not yet been executed, as we are still waiting higher level approvals before we can sign.

As a quick update, the next IESO draw will occur on October 20, for $840 million (outstanding loan + new advance) will be under the existing $975 million facility. The amount for the subsequent draw on November 21, is currently unknown but is expected to exceed the existing $975 million OFA IESO Credit Facility limit.

Assuming the $2 Billion FHP Credit Facility agreement is signed before November 21, we are considering two options for the November 21 advances:

(1) IESO will submit a borrowing notice for the November draw to be drawn entirely from the $2 Billion FHP Credit Facility.

Or

(2) IESO will submit a borrowing notice to draw a portion from the $2 Billion FHP Credit Facility in combination with an election notice to draw a portion of the remaining outstanding amount to allow for the existing OFA IESO Credit Facility to be reduced to a level below $475 million (for which the facility limit will then be subsequently reduced to $475 million).

We will be consulting with IESO to determine which of these options will be chosen; this of course turns on the final approvals for the new $2B FHP facility going through.

Thanks,
Sarah

From: Siva Nathan
Sent: Monday, October 16, 2017 12:20 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: FW: OFA-IESO Credit Facilities

Hi Sarah,

Can you please send me a Final copy of OFA-IESO Credit Facilities?

Thanks
Siva

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To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>; Faran Ali <Faran.Ali@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>

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Thanks,

Sarah

From: Whitfield, Tobias P. (MOF)
To: Caroline Swerdlyk; William Tan
Cc: Lisa Stein; Sarah Harris; Sarah Neville
Subject: RE: OFHP OFA Prom note (draft) + $2Billion OIC
Date: Thursday, August 31, 2017 3:33:40 PM

I am fine with those changes.

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Caroline Swerdlyk [mailto:Caroline.Swerdlyk@ofina.on.ca]
Sent: August 31, 2017 12:13 PM
To: Tan, William (OFA)
Cc: Stein, Lisa (OFA); Harris, Sarah (OFA); Neville, Sarah (OFA); Whitfield, Tobias P. (MOF)
Subject: OFHP OFA Prom note (draft) + $2Billion OIC

Hi Will,

I reviewed the draft Promissory Note against the OIC, and noticed a discrepancy in the wording used in s. (d)(i) of the Prom Note. I have amended it (attached) to align with the wording in the OIC.

I've cc'd Toby since he is also reviewing this – Toby, could you please let me know if you are okay with this change, or would like to discuss?

Thanks,

Caroline

Caroline Swerdlyk
Legal Counsel
ext. 5-8141

Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you

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This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

From: Whitfield, Tobias P. (MOF)
To: Malle Hanslep (MOF); Sarah Harris
Subject: RE: OIC PDF
Date: Wednesday, October 25, 2017 3:07:36 PM
Attachments: Term Sheet - Provincial Protection Agreement - Sept 18 - Clean.docx

---

Sarah - Please see the final term sheet, attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: October 25, 2017 2:47 PM
To: Harris, Sarah (OFA)
Cc: Whitfield, Tobias P. (MOF)
Subject: FW: OIC PDF

-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: September 19, 2017 1:33 PM
To: Strathy, Anna (OFA); Hanslep, Malle (MOF)
Subject: OIC PDF

PDF of OIC attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456
Original Message
From: ONP2F00851305@ontario.ca
Sent: Tuesday, September 19, 2017 12:35 PM
To: Whitfield, Tobias P. (MOF)
Reply To: ONP2F00851305@ontario.ca
Subject: Scan from a Xerox WorkCentre

Please open the attached document. It was scanned and sent to you using a Xerox WorkCentre.

Attachment File Type: PDF, Multi-Page

WorkCentre Location: machine location not set Device Name: ONP2F00851305

Confidential
<u>Updated Version</u>: September 18, 2017

<u>Provincial Protections and Assurances</u>

<u>Indicative Term Sheet</u>

<u>Ontario Fair Hydro Plan Act, 2017</u>

*This indicative term sheet (the "**Term Sheet**") relates to transactions contemplated to be undertaken under the Ontario Fair Hydro Plan Act, 2017 (the "**Act**") and the regulations made thereunder (the "**Regulation**"). This Term Sheet is to be held confidential. Unless otherwise specified, defined terms used herein have the meanings ascribed to them in the Act. The provincial protection and assurance arrangements contemplated in this Term Sheet will include such terms and conditions as the Minister of Energy and the Minister of Finance determine to be appropriate. This Term Sheet is not intended to create any obligations or be binding.*

Change of Law Protection Agreement:	A Change of Law Protection Agreement will be among the Obligor, a Financing Entity and an Indenture Trustee, acting for and on behalf of the Beneficiaries in accordance with a Trust Indenture.
Obligor:	The Province of Ontario, by the Minister of Energy and the Minister of Finance acting together.
Indenture Trustee:	An indenture trustee, acting for itself and on behalf of other persons entitled under an applicable Trust Indenture.
Beneficiaries:	The Indenture Trustee, acting for itself and on behalf of other persons entitled under Specified Claims.
Specified Claims:	Payment obligations of the Financing Entity that are secured under the Trust Indenture and that are approved as contemplated below under Obligor Approval.
Protection Events:	Any of the following would constitute a Protection Event: (A) (1) the Legislature repeals (and does not replace on an equivalent basis) or amends the Act or any portion thereof; (2) the Legislature enacts or amends any other statute; (3) the Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) or amends the Regulation made under the Act or any portion thereof; or (4) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council

	makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*); (5) there is a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province or an entity controlled by the Province, in each case, that [materially][1] and adversely affects (a) the ability of the Financing Entity to receive amounts on its investment interest so that it can pay Specified Claims, or (b) the Change of Law Protection Agreement or any of the agreements under which Specified Claims arise, other than if the Indenture Trustee has confirmed in writing that the affect under such agreements is otherwise acceptable; or (B) a court of competent jurisdiction [in a final and non-appealable judgement][2] determines that all or a portion of the Act or the Regulation is *ultra vires* or invalid in a way that [materially][3] and adversely affects the ability of the Financing Entity to receive amounts on its investment interest so that it can pay Specified Claims.
Obligation to Pay Specified Claims:	Upon the occurrence of a Protection Event, the Indenture Trustee will have the right to require the Obligor to pay the Specified Claims owing by the Financing Entity when they become due and payable (without acceleration). The exercise of such right by the Indenture Trustee in accordance with the Trust Indenture shall constitute the only remedy available under the Change of Law Protection Agreement. Under no circumstances shall the Obligor be obligated to pay or indemnify a Beneficiary for consequential, special or punitive damages, or for economic loss or loss of profits.
Subrogation:	Upon paying a Specified Claim to a Beneficiary, the Obligor as guarantor shall have rights of subrogation, including becoming entitled to all of the applicable Beneficiary's rights and interests under and in respect of the Specified Claim, including the security interest in each related investment interest and related property of the Financing Entity.

[1] Under consideration to assess the marketability implications of materiality threshold.

[2] Under consideration to assess the marketability implications of this phrase.

[3] See footnote 1, above.

Optional Assumption:	At any time following the occurrence of a Protection Event, the Obligor shall be entitled (but not obligated) to assume the Financing Entity's obligations in respect of Specified Claims as obligor and debtor. The Financing Entity (including through the Financial Services Manager) will ensure that Specified Claims permit such an assumption by the Obligor without any penalty or make-whole payment (or, in the case of any contract for the provision of on-going services to the Financing Entity, the satisfaction and termination of the Specified Claims without any acceleration of future fees, profits or other like amounts), or any requirement for further consent, approval or agreement.
Term:	The Change of Law Protection Agreement will continue for as long as any Specified Claim remains outstanding.
Obligor Approval:	The process by which a Specified Claim will become subject to the Change of Law Protection Agreement will be determined by the Minister of Finance and Minister of Energy in negotiation with the Financing Entity.
FIPPA:	The Change of Law Protection Agreement will acknowledge that the Obligor will be bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Obligor, or any agent or representative of the Obligor in connection with the Change of Law Protection Agreement, may be subject to disclosure in accordance with the act or as otherwise required by law.
Representations and Warranties:	To be determined by the Minister of Finance and Minister of Energy in negotiation with the Financing Entity.
Confidentiality Obligations:	To be determined based on what would be customary and appropriate for similar types of arrangements and is acceptable to the Obligor and the Financing Entity.
Governing Law:	Province of Ontario.

From: Whitfield, Tobias P. (MOF)
To: Malle Hanslep (MOF); Sarah Harris
Subject: RE: OIC PDF
Date: Wednesday, October 25, 2017 3:07:36 PM
Attachments: Term Sheet - Provincial Protection Agreement - Sept 18 - Clean.docx

---

Sarah - Please see the final term sheet, attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: October 25, 2017 2:47 PM
To: Harris, Sarah (OFA)
Cc: Whitfield, Tobias P. (MOF)
Subject: FW: OIC PDF

-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: September 19, 2017 1:33 PM
To: Strathy, Anna (OFA); Hanslep, Malle (MOF)
Subject: OIC PDF

PDF of OIC attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456
Original Message
From: ONP2F00851305@ontario.ca
Sent: Tuesday, September 19, 2017 12:35 PM
To: Whitfield, Tobias P. (MOF)
Reply To: ONP2F00851305@ontario.ca
Subject: Scan from a Xerox WorkCentre

Please open the attached document. It was scanned and sent to you using a Xerox WorkCentre.

Attachment File Type: PDF, Multi-Page

WorkCentre Location: machine location not set Device Name: ONP2F00851305

Confidential
<u>Updated Version</u>: September 18, 2017

<u>Provincial Protections and Assurances</u>

<u>Indicative Term Sheet</u>

<u>Ontario Fair Hydro Plan Act, 2017</u>

*This indicative term sheet (the "**Term Sheet**") relates to transactions contemplated to be undertaken under the Ontario Fair Hydro Plan Act, 2017 (the "**Act**") and the regulations made thereunder (the "**Regulation**"). This Term Sheet is to be held confidential. Unless otherwise specified, defined terms used herein have the meanings ascribed to them in the Act. The provincial protection and assurance arrangements contemplated in this Term Sheet will include such terms and conditions as the Minister of Energy and the Minister of Finance determine to be appropriate. This Term Sheet is not intended to create any obligations or be binding.*

Change of Law Protection Agreement:	A Change of Law Protection Agreement will be among the Obligor, a Financing Entity and an Indenture Trustee, acting for and on behalf of the Beneficiaries in accordance with a Trust Indenture.
Obligor:	The Province of Ontario, by the Minister of Energy and the Minister of Finance acting together.
Indenture Trustee:	An indenture trustee, acting for itself and on behalf of other persons entitled under an applicable Trust Indenture.
Beneficiaries:	The Indenture Trustee, acting for itself and on behalf of other persons entitled under Specified Claims.
Specified Claims:	Payment obligations of the Financing Entity that are secured under the Trust Indenture and that are approved as contemplated below under Obligor Approval.
Protection Events:	Any of the following would constitute a Protection Event: (A) (1) the Legislature repeals (and does not replace on an equivalent basis) or amends the Act or any portion thereof; (2) the Legislature enacts or amends any other statute; (3) the Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) or amends the Regulation made under the Act or any portion thereof; or (4) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council

	makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*); (5) there is a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province or an entity controlled by the Province, in each case, that [materially][1] and adversely affects (a) the ability of the Financing Entity to receive amounts on its investment interest so that it can pay Specified Claims, or (b) the Change of Law Protection Agreement or any of the agreements under which Specified Claims arise, other than if the Indenture Trustee has confirmed in writing that the affect under such agreements is otherwise acceptable; or (B) a court of competent jurisdiction [in a final and non-appealable judgement][2] determines that all or a portion of the Act or the Regulation is *ultra vires* or invalid in a way that [materially][3] and adversely affects the ability of the Financing Entity to receive amounts on its investment interest so that it can pay Specified Claims.
Obligation to Pay Specified Claims:	Upon the occurrence of a Protection Event, the Indenture Trustee will have the right to require the Obligor to pay the Specified Claims owing by the Financing Entity when they become due and payable (without acceleration). The exercise of such right by the Indenture Trustee in accordance with the Trust Indenture shall constitute the only remedy available under the Change of Law Protection Agreement. Under no circumstances shall the Obligor be obligated to pay or indemnify a Beneficiary for consequential, special or punitive damages, or for economic loss or loss of profits.
Subrogation:	Upon paying a Specified Claim to a Beneficiary, the Obligor as guarantor shall have rights of subrogation, including becoming entitled to all of the applicable Beneficiary's rights and interests under and in respect of the Specified Claim, including the security interest in each related investment interest and related property of the Financing Entity.

[1] Under consideration to assess the marketability implications of materiality threshold.

[2] Under consideration to assess the marketability implications of this phrase.

[3] See footnote 1, above.

Optional Assumption:	At any time following the occurrence of a Protection Event, the Obligor shall be entitled (but not obligated) to assume the Financing Entity's obligations in respect of Specified Claims as obligor and debtor. The Financing Entity (including through the Financial Services Manager) will ensure that Specified Claims permit such an assumption by the Obligor without any penalty or make-whole payment (or, in the case of any contract for the provision of on-going services to the Financing Entity, the satisfaction and termination of the Specified Claims without any acceleration of future fees, profits or other like amounts), or any requirement for further consent, approval or agreement.
Term:	The Change of Law Protection Agreement will continue for as long as any Specified Claim remains outstanding.
Obligor Approval:	The process by which a Specified Claim will become subject to the Change of Law Protection Agreement will be determined by the Minister of Finance and Minister of Energy in negotiation with the Financing Entity.
FIPPA:	The Change of Law Protection Agreement will acknowledge that the Obligor will be bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Obligor, or any agent or representative of the Obligor in connection with the Change of Law Protection Agreement, may be subject to disclosure in accordance with the act or as otherwise required by law.
Representations and Warranties:	To be determined by the Minister of Finance and Minister of Energy in negotiation with the Financing Entity.
Confidentiality Obligations:	To be determined based on what would be customary and appropriate for similar types of arrangements and is acceptable to the Obligor and the Financing Entity.
Governing Law:	Province of Ontario.

From: Hanslep, Malle (MOF)
To: Sarah Harris
Subject: RE: OIC PDF
Date: Wednesday, October 25, 2017 2:52:44 PM

Toby will send you the final term sheet so you can see the big picture.

-----Original Message-----
From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: October 25, 2017 2:49 PM
To: Hanslep, Malle (MOF)
Subject: RE: OIC PDF

Thanks, Malle.

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, October 25, 2017 2:47 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: FW: OIC PDF

-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: September 19, 2017 1:33 PM
To: Strathy, Anna (OFA); Hanslep, Malle (MOF)
Subject: OIC PDF

PDF of OIC attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456

Original Message
From: ONP2F00851305@ontario.ca
Sent: Tuesday, September 19, 2017 12:35 PM
To: Whitfield, Tobias P. (MOF)
Reply To: ONP2F00851305@ontario.ca
Subject: Scan from a Xerox WorkCentre

Please open the attached document. It was scanned and sent to you using a Xerox WorkCentre.

Attachment File Type: PDF, Multi-Page

WorkCentre Location: machine location not set Device Name: ONP2F00851305

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

From: Sarah Harris
To: Malle Hanslep (MOF)
Subject: RE: OIC PDF
Date: Wednesday, October 25, 2017 2:48:32 PM

Thanks, Malle.

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, October 25, 2017 2:47 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: FW: OIC PDF

-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: September 19, 2017 1:33 PM
To: Strathy, Anna (OFA); Hanslep, Malle (MOF)
Subject: OIC PDF

PDF of OIC attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456
Original Message
From: ONP2F00851305@ontario.ca
Sent: Tuesday, September 19, 2017 12:35 PM
To: Whitfield, Tobias P. (MOF)
Reply To: ONP2F00851305@ontario.ca
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Attachment File Type: PDF, Multi-Page

WorkCentre Location: machine location not set Device Name: ONP2F00851305

From: Sarah Harris
To: Tobias P. Whitfield (MOF)
Subject: RE: OIC PDF
Date: Wednesday, October 25, 2017 3:14:13 PM

Thank you, Toby.

-----Original Message-----
From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Wednesday, October 25, 2017 3:08 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OIC PDF

Sarah - Please see the final term sheet, attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: October 25, 2017 2:47 PM
To: Harris, Sarah (OFA)
Cc: Whitfield, Tobias P. (MOF)
Subject: FW: OIC PDF

-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: September 19, 2017 1:33 PM
To: Strathy, Anna (OFA); Hanslep, Malle (MOF)
Subject: OIC PDF

PDF of OIC attached.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456
Original Message
From: ONP2F00851305@ontario.ca
Sent: Tuesday, September 19, 2017 12:35 PM
To: Whitfield, Tobias P. (MOF)
Reply To: ONP2F00851305@ontario.ca
Subject: Scan from a Xerox WorkCentre

Please open the attached document. It was scanned and sent to you using a Xerox WorkCentre.

Attachment File Type: PDF, Multi-Page

WorkCentre Location: machine location not set Device Name: ONP2F00851305

From: Andrea Dalgarno
To: San Rajaratnam
Cc: Siva Nathan; Sarah Harris
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017
Date: Thursday, October 26, 2017 8:44:20 AM
Attachments: Total OIC Amount (September 30 2017).xlsx

Hi San

We confirm the authorized amounts for the OIC's in the attached table are unchanged totaling $16,916,000,000 as at September 30, 2017. I have cleaned up the spreadsheet a bit (please see attached) but the substance has not changed.

A suggestion for consideration in terms of wording:

Funds for these loans are advanced to the OFA by the Province through a combination of loans and credit facilities. The total advanced by the Province cannot exceed $16.916 billion.

The thinking behind this suggestion is as follows:

-the $16.916 billion is the total original authority available to the Province (under all OICs) to fund the OFA in support of the referenced public body financing.
-the financing to public bodies is through a combination of loans and credit facilities.
-the auto loan related OIC's do not specify a final repayment date

Let me know should you have any questions or concerns.

Andrea

From: San Rajaratnam
Sent: Tuesday, October 24, 2017 2:16 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017

Hi Andrea,

This is what we disclose in the notes to OFA's quarterly and yearly financial statements. Provided below is the note in June 30, 2017 FS:

5. TRANSACTIONS WITH PUBLIC BODIES

The OFA provides financing to various public bodies on direction from the Province. As the OFA is directed by the Province to make these loans in furtherance of stated Provincial initiatives, and these loans are included in the Province's consolidated

financial statements, these transactions are not reflected in these financial statements.

Funds for these loans are advanced to the OFA by the Province under credit facilities aggregating $16.9 billion expiring from 2036 to 2044. Principal repayments received from public bodies by the OFA are forwarded to the Province. The interest rates charged to public bodies is generally slightly higher than the rate charged by the Province on the advances to fund the loans ("the spread").

Thanks,
San

From: Andrea Dalgarno
Sent: Tuesday, October 24, 2017 1:56 PM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017

Hi San,

Is there any way you can send me a copy of the note and whatever section of the OFA statements the note refers to?

We are trying to get a better idea as to what is being communicated in order to hopefully determine if the Fair Hydro Plan OIC should be added given it is not included for the purposes of the OFA Lending Directive.

Regards,

Andrea

From: San Rajaratnam
Sent: Friday, October 20, 2017 9:17 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of Sep 30, 2017

Hi Andrea,

For reporting in OFA's Sep 30, 2017 financial statements We would like to check with you of any changes to OIC amounts as of Sep 30, 2017.

Thanks,
San

From: Andrea Dalgarno
Sent: Wednesday, July 19, 2017 10:10 AM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of June 30, 2017

Hi,

We confirm the authorized amounts for the OICs in the attached table are unchanged totalling $16,916,000,000 as at June 30 ,2017.

Regards,

Andrea

From: San Rajaratnam
Sent: Wednesday, July 19, 2017 9:56 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of June 30, 2017

Hi Andrea,

For reporting in OFA's June 30, 2017 financial statements We would like to check with you of any changes to OIC amounts as of June 30, 2017.

Thanks,
San

From: Andrea Dalgarno
Sent: Wednesday, April 19, 2017 9:57 AM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of Mar 31, 2017

Hi San,

Sarah asked me to address this request

The only changes are as follows:

OIC 1883/06 - $800,000,000 - the amended maturity date is June 1, 2041 (previously November 1,

2032).
OIC 2144/07 - $2,000,000,000 - the amended maturity date is June 1, 2041 (previously December 1, 2037).

and the changes have been made to the OFA Summary attached.

These updates take into account the amendment to the maturity dates incorporated in OIC 844/2008 (attached for your reference).

Other than that:

I can confirm that the total OIC amounts remains unchanged as of March 31, 2017. I can also confirm that there have been no additional OICs. I cannot however, comment on any loans or transactions undertaken under the OICs. Documentation does not keep track of this. If needed, I believe that Corporate Finance keeps track of this information. As such the supporting documentation provided is comprised of copies of the OIC's in question.

Regards,

Andrea

From: San Rajaratnam
Sent: Tuesday, April 18, 2017 2:51 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of Mar 31, 2017

Hi William,

We would like to check with you of any changes to OIC amounts as of Mar 31, 2017? We require this info for reporting in OFA's Mar 31, 2017 Financial Statements.

Thanks,
San

From: William Tan
Sent: Friday, January 20, 2017 2:56 PM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: OIC Total Amount for OFA Loans as of Dec 31,2016

Hello San,

We confirm the authorized amounts for the OICs in the attached table are unchanged totalling $16,916,000,000 as at Dec 31, 2016.
Please note the amended maturity dates for the following two OICs:

OIC 675/97 - $2,160,000,000 - the amended maturity date is June 1, 2041 (previously August 31, 2027).
OIC 767/99 - $656,000,000 - the amended maturity date is June 1, 2041 (previously August 31, 2029).

Thanks,

Will

From: Sarah Harris
Sent: Tuesday, January 17, 2017 4:14 PM
To: William Tan <William.Tan@ofina.on.ca>
Subject: FW: OIC Total Amount for OFA Loans as of Dec 31,2016

From: San Rajaratnam
Sent: Tuesday, January 17, 2017 3:39 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of Dec 31,2016

Hi Sarah,

We would like to check whether any changes to OIC amounts as of Dec 31, 2016? We require this info for reporting in OFA's Dec 31,2016 FS.

Lenin provided us the attached file (as of Sep 30,2016).

Thanks,
San

OIC Summary

As At: **Septemebr 30, 2017**

Regular Loans	**Total OIC Amount**
Under OIC 675/97 -	
Authorized:	$2,160,000,000
Repayment date:	June 1, 2041
Under OIC 767/99 -	
Authorized:	$656,000,000
Repayment date:	June 1, 2041
School Board Loans	**Total OIC Amount**
Under OIC 1883/2006	
Authorized:	$800,000,000
Repayment date:	June 1, 2041
Under OIC 2144/2007	
Authorized:	$2,000,000,000
Repayment date:	June 1, 2041
Under OIC 300/2010	
Authorized:	$1,800,000,000
Repayment date:	May 15, 2036
Under OIC 163/2012	
Authorized:	$1,700,000,000
Repayment date:	Year 2040
Under OIC 354/2014	
Authorized:	$700,000,000
Repayment date:	March 5, 2044
Auto Loans	**Total OIC Amount**
Under OIC 2154/2008	$1,700,000,000
Under OIC 678/2009	$1,100,000,000
Under OIC 975/2009	$4,300,000,000
Total Amount	**$16,916,000,000**

Amount Issued		Remaining Authority	
$	1,700,000,000.00	$	-
$	480,818,602.74	$	619,181,397.26
$	1,983,345,267.75	$	2,316,654,732.25

From: Andrea Dalgarno
To: San Rajaratnam
Cc: Siva Nathan; Sarah Harris
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017
Date: Tuesday, October 24, 2017 1:56:03 PM

Hi San,

Is there any way you can send me a copy of the note and whatever section of the OFA statements the note refers to?

We are trying to get a better idea as to what is being communicated in order to hopefully determine if the Fair Hydro Plan OIC should be added given it is not included for the purposes of the OFA Lending Directive.

Regards,

Andrea

From: San Rajaratnam
Sent: Friday, October 20, 2017 9:17 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of Sep 30, 2017

Hi Andrea,

For reporting in OFA's Sep 30, 2017 financial statements We would like to check with you of any changes to OIC amounts as of Sep 30, 2017.

Thanks,
San

From: Andrea Dalgarno
Sent: Wednesday, July 19, 2017 10:10 AM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of June 30, 2017

Hi,

We confirm the authorized amounts for the OICs in the attached table are unchanged totalling $16,916,000,000 as at June 30 ,2017.

Regards,

Andrea

From: San Rajaratnam
Sent: Wednesday, July 19, 2017 9:56 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of June 30, 2017

Hi Andrea,

For reporting in OFA's June 30, 2017 financial statements We would like to check with you of any changes to OIC amounts as of June 30, 2017.

Thanks,
San

From: Andrea Dalgarno
Sent: Wednesday, April 19, 2017 9:57 AM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of Mar 31, 2017

Hi San,

Sarah asked me to address this request

The only changes are as follows:

OIC 1883/06 - $800,000,000 - the amended maturity date is June 1, 2041 (previously November 1, 2032).
OIC 2144/07 - $2,000,000,000 - the amended maturity date is June 1, 2041 (previously December 1, 2037).

and the changes have been made to the OFA Summary attached.

These updates take into account the amendment to the maturity dates incorporated in OIC 844/2008 (attached for your reference).

Other than that:

I can confirm that the total OIC amounts remains unchanged as of March 31, 2017. I can also confirm that there have been no additional OICs. I cannot however, comment on any loans or

transactions undertaken under the OICs. Documentation does not keep track of this. If needed, I believe that Corporate Finance keeps track of this information. As such the supporting documentation provided is comprised of copies of the OIC's in question.

Regards,

Andrea

From: San Rajaratnam
Sent: Tuesday, April 18, 2017 2:51 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of Mar 31, 2017

Hi William,

We would like to check with you of any changes to OIC amounts as of Mar 31, 2017? We require this info for reporting in OFA's Mar 31, 2017 Financial Statements.

Thanks,
San

From: William Tan
Sent: Friday, January 20, 2017 2:56 PM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: OIC Total Amount for OFA Loans as of Dec 31,2016

Hello San,

We confirm the authorized amounts for the OICs in the attached table are unchanged totalling $16,916,000,000 as at Dec 31, 2016.
Please note the amended maturity dates for the following two OICs:

OIC 675/97 - $2,160,000,000 - the amended maturity date is June 1, 2041 (previously August 31, 2027).
OIC 767/99 - $656,000,000 - the amended maturity date is June 1, 2041 (previously August 31, 2029).

Thanks,

Will

From: Sarah Harris
Sent: Tuesday, January 17, 2017 4:14 PM
To: William Tan <William.Tan@ofina.on.ca>
Subject: FW: OIC Total Amount for OFA Loans as of Dec 31,2016

From: San Rajaratnam
Sent: Tuesday, January 17, 2017 3:39 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of Dec 31,2016

Hi Sarah,

We would like to check whether any changes to OIC amounts as of Dec 31, 2016? We require this info for reporting in OFA's Dec 31,2016 FS.

Lenin provided us the attached file (as of Sep 30,2016).

Thanks,
San

From: Andrea Dalgarno
To: Sarah Harris
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017
Date: Wednesday, October 25, 2017 3:21:51 PM
Attachments: Total OIC Amount (September 31 2017).xlsx

Hi,

Let me know you thoughts re my draft response:

"For the purposes of September 30, 2017, there is no change in the OIC amounts. I have cleaned up the spreadsheet a bit (please see attached) but the substance has not changed.

A suggestion for consideration in terms of wording:

Funds for these loans are advanced to the OFA by the Province under authority provided pursuant to the Capital Investment Plan Act, 1993. The total advanced to the OFA cannot exceed $16.9 billion based on authority provided to date.

The thinking behind this suggestion is as follows:

-the $16.9 billion is the total original amount of all OIC's that provided the authority for the Province to fund the OFA in support of the public body financing.
- little concerned about reference to credit facilities in this context
-the financing to public bodies is through a combination of loans and lines of credit.
-the auto loan related OIC's do not actually specify a repayment date so we are not sure if stating the expiry range as being from 2036-2044 is appropriate

Let me know should you have any questions or concerns."

Andrea

From: San Rajaratnam
Sent: Tuesday, October 24, 2017 2:16 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017

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OIC Summary

Regular Loans	**Total OIC Amount**
Under OIC 675/97 -	
Authorized:	$2,160,000,000
Repayment date:	June 1, 2041
Under OIC 767/99 -	
Authorized:	$656,000,000
Repayment date:	June 1, 2041
School Board Loans	**Total OIC Amount**
Under OIC 1883/2006	
Authorized:	$800,000,000
Repayment date:	June 1, 2041
Under OIC 2144/2007	
Authorized:	$2,000,000,000
Repayment date:	June 1, 2041
Under OIC 300/2010	
Authorized:	$1,800,000,000
Repayment date:	May 15, 2036
Under OIC 163/2012	
Authorized:	$1,700,000,000
Repayment date:	Year 2040
Under OIC 354/2014	
Authorized:	$700,000,000
Repayment date:	March 5, 2044
Auto Loans	**Total OIC Amount**
Under OIC 2154/2008	$1,700,000,000
Under OIC 678/2009	$1,100,000,000
Under OIC 975/2009	$4,300,000,000
Total Amount	**$16,916,000,000**

Amount Issued		Remaining Authority	
$	1,700,000,000.00	$	-
$	480,818,602.74	$	619,181,397.26
$	1,983,345,267.75	$	2,316,654,732.25

From:	San Rajaratnam
To:	Andrea Dalgarno
Cc:	Siva Nathan; Sarah Harris
Subject:	RE: OIC Total Amount for OFA Loans as of Sep 30, 2017
Date:	Wednesday, October 25, 2017 9:46:18 AM

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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of Mar 31, 2017
Hi William,
We would like to check with you of any changes to OIC amounts as of Mar 31, 2017? We require this info for reporting in OFA's Mar 31, 2017 Financial Statements.
Thanks,
San

From: William Tan
Sent: Friday, January 20, 2017 2:56 PM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: OIC Total Amount for OFA Loans as of Dec 31,2016
Hello San,
We confirm the authorized amounts for the OICs in the attached table are unchanged totalling $16,916,000,000 as at Dec 31, 2016.
Please note the amended maturity dates for the following two OICs:
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OIC 767/99 - $656,000,000 - the amended maturity date is June 1, 2041 (previously August 31, 2029).
Thanks,
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From: Sarah Harris

Sent: Tuesday, January 17, 2017 4:14 PM
To: William Tan <William.Tan@ofina.on.ca>
Subject: FW: OIC Total Amount for OFA Loans as of Dec 31,2016

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To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of Dec 31,2016

Hi Sarah,

We would like to check whether any changes to OIC amounts as of Dec 31, 2016? We require this info for reporting in OFA's Dec 31,2016 FS.

Lenin provided us the attached file (as of Sep 30,2016).

Thanks,

San

From:	San Rajaratnam
To:	Andrea Dalgarno
Cc:	Siva Nathan; Sarah Harris
Subject:	RE: OIC Total Amount for OFA Loans as of Sep 30, 2017
Date:	Wednesday, October 25, 2017 9:46:14 AM

Hi Andre,

We are in the process of finalizing the Sep 30, 2017 FS. It would be great if we can have this info by this Friday.

Thanks,
San

From: Andrea Dalgarno
Sent: Tuesday, October 24, 2017 3:01 PM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017

Thank you San.

Will get back to you when we figure out what to do with the FHP OIC.

When do you need the final figure confirmed by?

Regards,

Andrea

From: San Rajaratnam
Sent: Tuesday, October 24, 2017 2:16 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017

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Hi San,

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We are trying to get a better idea as to what is being communicated in order to hopefully determine if the Fair Hydro Plan OIC should be added given it is not included for the purposes of the OFA Lending Directive.

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Hi San,

Sarah asked me to address this request

The only changes are as follows:

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2032).
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and the changes have been made to the OFA Summary attached.

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Other than that:

I can confirm that the total OIC amounts remains unchanged as of March 31, 2017. I can also confirm that there have been no additional OICs. I cannot however, comment on any loans or transactions undertaken under the OICs. Documentation does not keep track of this. If needed, I believe that Corporate Finance keeps track of this information. As such the supporting documentation provided is comprised of copies of the OIC's in question.

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To: San Rajaratnam
Cc: Siva Nathan; Sarah Harris
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017
Date: Tuesday, October 24, 2017 3:00:37 PM

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When do you need the final figure confirmed by?
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From: San Rajaratnam
To: Andrea Dalgarno
Cc: Siva Nathan; Sarah Harris
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017
Date: Tuesday, October 24, 2017 2:15:43 PM

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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: OIC Total Amount for OFA Loans as of Dec 31,2016

Hello San,

We confirm the authorized amounts for the OICs in the attached table are unchanged totalling $16,916,000,000 as at Dec 31, 2016.
Please note the amended maturity dates for the following two OICs:

OIC 675/97 - $2,160,000,000 - the amended maturity date is June 1, 2041 (previously August 31, 2027).
OIC 767/99 - $656,000,000 - the amended maturity date is June 1, 2041 (previously August 31, 2029).

Thanks,

Will

From: Sarah Harris
Sent: Tuesday, January 17, 2017 4:14 PM
To: William Tan <William.Tan@ofina.on.ca>
Subject: FW: OIC Total Amount for OFA Loans as of Dec 31,2016

From: San Rajaratnam
Sent: Tuesday, January 17, 2017 3:39 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of Dec 31,2016

Hi Sarah,

We would like to check whether any changes to OIC amounts as of Dec 31, 2016? We require this

info for reporting in OFA's Dec 31,2016 FS.

Lenin provided us the attached file (as of Sep 30,2016).

Thanks,
San

From:	San Rajaratnam
To:	Andrea Dalgarno
Cc:	Siva Nathan; Sarah Harris
Subject:	RE: OIC Total Amount for OFA Loans as of Sep 30, 2017
Date:	Thursday, October 26, 2017 9:05:29 AM

Thanks.

From: Andrea Dalgarno
Sent: Thursday, October 26, 2017 8:44 AM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017

Hi San

We confirm the authorized amounts for the OIC's in the attached table are unchanged totaling $16,916,000,000 as at September 30, 2017. I have cleaned up the spreadsheet a bit (please see attached) but the substance has not changed.

A suggestion for consideration in terms of wording:

Funds for these loans are advanced to the OFA by the Province through a combination of loans and credit facilities. The total advanced by the Province cannot exceed $16.916 billion.

The thinking behind this suggestion is as follows:

-the $16.916 billion is the total original authority available to the Province (under all OICs) to fund the OFA in support of the referenced public body financing.
-the financing to public bodies is through a combination of loans and credit facilities.
-the auto loan related OIC's do not specify a final repayment date

Let me know should you have any questions or concerns.

Andrea

From: San Rajaratnam
Sent: Tuesday, October 24, 2017 2:16 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017

Hi Andrea,

This is what we disclose in the notes to OFA's quarterly and yearly financial statements. Provided below is the note in June 30, 2017 FS:

5. TRANSACTIONS WITH PUBLIC BODIES

The OFA provides financing to various public bodies on direction from the Province. As the OFA is directed by the Province to make these loans in furtherance of stated Provincial initiatives, and these loans are included in the Province's consolidated financial statements, these transactions are not reflected in these financial statements.

Funds for these loans are advanced to the OFA by the Province under credit facilities aggregating $16.9 billion expiring from 2036 to 2044. Principal repayments received from public bodies by the OFA are forwarded to the Province. The interest rates charged to public bodies is generally slightly higher than the rate charged by the Province on the advances to fund the loans ("the spread").

Thanks,
San

From: Andrea Dalgarno
Sent: Tuesday, October 24, 2017 1:56 PM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of Sep 30, 2017

Hi San,

Is there any way you can send me a copy of the note and whatever section of the OFA statements the note refers to?

We are trying to get a better idea as to what is being communicated in order to hopefully determine if the Fair Hydro Plan OIC should be added given it is not included for the purposes of the OFA Lending Directive.

Regards,

Andrea

From: San Rajaratnam
Sent: Friday, October 20, 2017 9:17 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of Sep 30, 2017

Hi Andrea,

For reporting in OFA's Sep 30, 2017 financial statements We would like to check with you of any changes to OIC amounts as of Sep 30, 2017.

Thanks,
San

From: Andrea Dalgarno
Sent: Wednesday, July 19, 2017 10:10 AM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of June 30, 2017

Hi,

We confirm the authorized amounts for the OICs in the attached table are unchanged totalling $16,916,000,000 as at June 30 ,2017.

Regards,

Andrea

From: San Rajaratnam
Sent: Wednesday, July 19, 2017 9:56 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of June 30, 2017

Hi Andrea,

For reporting in OFA's June 30, 2017 financial statements We would like to check with you of any changes to OIC amounts as of June 30, 2017.

Thanks,
San

From: Andrea Dalgarno
Sent: Wednesday, April 19, 2017 9:57 AM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: RE: OIC Total Amount for OFA Loans as of Mar 31, 2017

Hi San,

Sarah asked me to address this request

The only changes are as follows:

OIC 1883/06 - $800,000,000 - the amended maturity date is June 1, 2041 (previously November 1, 2032).
OIC 2144/07 - $2,000,000,000 - the amended maturity date is June 1, 2041 (previously December 1, 2037).

and the changes have been made to the OFA Summary attached.

These updates take into account the amendment to the maturity dates incorporated in OIC 844/2008 (attached for your reference).

Other than that:

I can confirm that the total OIC amounts remains unchanged as of March 31, 2017. I can also confirm that there have been no additional OICs. I cannot however, comment on any loans or transactions undertaken under the OICs. Documentation does not keep track of this. If needed, I believe that Corporate Finance keeps track of this information. As such the supporting documentation provided is comprised of copies of the OIC's in question.

Regards,

Andrea

From: San Rajaratnam
Sent: Tuesday, April 18, 2017 2:51 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of Mar 31, 2017

Hi William,

We would like to check with you of any changes to OIC amounts as of Mar 31, 2017? We require this info for reporting in OFA's Mar 31, 2017 Financial Statements.

Thanks,
San

From: William Tan
Sent: Friday, January 20, 2017 2:56 PM
To: San Rajaratnam <San.Rajaratnam@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: OIC Total Amount for OFA Loans as of Dec 31,2016

Hello San,

We confirm the authorized amounts for the OICs in the attached table are unchanged totalling $16,916,000,000 as at Dec 31, 2016.
Please note the amended maturity dates for the following two OICs:

OIC 675/97 - $2,160,000,000 - the amended maturity date is June 1, 2041 (previously August 31, 2027).
OIC 767/99 - $656,000,000 - the amended maturity date is June 1, 2041 (previously August 31, 2029).

Thanks,

Will

From: Sarah Harris
Sent: Tuesday, January 17, 2017 4:14 PM
To: William Tan <William.Tan@ofina.on.ca>
Subject: FW: OIC Total Amount for OFA Loans as of Dec 31,2016

From: San Rajaratnam
Sent: Tuesday, January 17, 2017 3:39 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Siva Nathan <Siva.Nathan@ofina.on.ca>
Subject: OIC Total Amount for OFA Loans as of Dec 31,2016

Hi Sarah,

We would like to check whether any changes to OIC amounts as of Dec 31, 2016? We require this info for reporting in OFA's Dec 31,2016 FS.

Lenin provided us the attached file (as of Sep 30,2016).

Thanks,
San

From: Sarah Harris
To: Kelly Listoe; Ryan Blackbyrne
Subject: RE: OPG and IESO
Date: Wednesday, October 04, 2017 11:13:26 AM

Sorry, Ryan.

I didn't catch you when you came back. Kelly is WFH Tues.

Let's schedule for Wednesday.

Sarah

-----Original Appointment-----
From: Kelly Listoe
Sent: Wednesday, October 04, 2017 11:13 AM
To: Ryan Blackbyrne; Sarah Harris
Subject: New Time Proposed: OPG and IESO
When: Tuesday, October 10, 2017 2:30 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Boardroom CM

From: Sarah Harris
To: John Kim
Subject: RE: OPG credit facility
Date: Wednesday, September 13, 2017 12:55:31 PM
Attachments: OFA IESO Amending Agreement No 10 - Execution Version.pdf

---

Hi John,

My apologies this time. I thought I had sent this to you yesterday but I found a draft in an unsent state. Nevertheless, it provides me with opportunity to provide you with the execution version sent by OPG yesterday.

Thanks,

Sarah

From: John Kim
Sent: Tuesday, September 12, 2017 10:16 AM
To: Sarah Harris
Subject: OPG credit facility

Hi Sarah,

Could you send me the amendment or details of the amendment to the OPG credit facility? I understand that an amendment has been finalized?

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

AMENDING AGREEMENT NO. 10

This Amending Agreement No. 10 (this "**Amending Agreement**") is made as of the ___ day of September, 2017

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* ("**IESO**")

-and-

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* ("**OFA**")

(together, the "Parties")

WHEREAS the Ontario Power Authority ("**OPA**") and the OFA entered into a credit agreement dated January 1, 2005 (the "**Original Agreement**");

AND WHEREAS effective January 1, 2015, the OPA and the then existing Independent Electricity System Operator amalgamated and continued as a corporation without share capital under Part II of the *Electricity Act, 1998* with the name "Independent Electricity System Operator" **("IESO")**, and the obligations of the OPA became obligations of the IESO;

AND WHEREAS pursuant to the amending agreements dated February 14, 2005, October 11, 2005 (titled, "Amending Agreement No. 3"), September 27, 2006 (titled, "Amending Agreement No. 4"), July 13, 2007 (titled, "Amending Agreement No. 5"), November 9, 2010 (titled, "Amending Agreement No. 6"), December 20, 2013 (titled, "Amending Agreement No. 7"), December 19, 2014 (titled, "Amending Agreement No. 8") and November 30, 2016 (titled, "Amending Agreement No. 9"), the OPA or IESO (as applicable) and the OFA amended the Original Agreement (as so amended, the "**Credit Agreement",** the terms defined therein being used herein as therein defined);

AND WHEREAS the Parties have now agreed to: (i) at the request of the IESO, decrease the total principal amount available under the Credit Agreement from $975,000,000 to a total principal amount of up to $475,000,000; (ii) amend the use of proceeds under the Credit Agreement; and (iii) amend the Form of Election Notice and related provisions under the Credit Agreement;

AND WHEREAS pursuant to Section 7.3 of the Credit Agreement, the Credit Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions hereafter set out, the Parties agree that:

1. The definition of "Advances" in Section 1.1 of the Credit Agreement is deleted and replaced by the following:

   "**Advances**" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable."

2. The definition of "Commitment" in Section 1.1 of the Credit Agreement is amended by deleting "$975,000,000" and substituting "$475,000,000" therefor.

3. The following definitions are added to Section 1.1 of the Agreement

   "**Continued Advance"** has the meaning specified in Section 3.3(1).

   "**Current Repayment Date**" has the meaning specified in Section 3.3(2).

   "**New Repayment Date**" has the meaning specified in Section 3.3(2).

4. Section 2.3 "Use of Proceeds" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, provided that Advances may be used only for liquidity purposes."

5. Section 3.2 "Procedures for Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be no earlier than 28 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.3. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

   (2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the **"Grid Note")**. The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of

manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement."

6. Section 3.3 "Elections Regarding Advances" of the Credit Agreement is deleted in its entirety and replaced by the following:

   "(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 28 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

   (2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 28 days and not later than 95 days after the Current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

   (3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

   (4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the grid promissory note in respect of Advances in accordance with Section 3.2(2).

   (5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date."

7. Schedule 1 of the Credit Agreement, Form of Borrowing Notice, is deleted in its entirety and replaced by the Form of Borrowing Notice attached hereto as Schedule 1.

8. Schedule 2 of the Credit Agreement, Form of Election Notice, is deleted in its entirety and replaced by the Form of Election Notice attached hereto as Schedule 2.

9. Schedule 3 of the Credit Agreement, IESO Grid Note, is deleted in its entirety and replaced by the Form of Grid Note attached hereto as Schedule 3.

10. On the date of this Amending Agreement and prior to any further Advances under the Credit Agreement, the IESO shall execute and deliver to the OFA a new grid promissory note in the principal amount of up to $475,000,000 substantially in the form attached hereto as Schedule 3 (the **"Grid Note"**) and indicating a total principal amount of Advances Outstanding to date of $401,878,030.42. Upon receipt of the new Grid Note delivered hereunder, the OFA will cancel and return the grid promissory note dated November 30, 2016 to the IESO.

IN ALL OTHER RESPECTS, the Credit Agreement is confirmed by the Parties.

[*signature page follows*]

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement No. 10 as of the date first above written.

ONTARIO FINANCING AUTHORITY

Per: _____
Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1 TO AMENDING AGREEMENT NO. 10

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "**Proposed Advance**"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 28 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____;

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 3 TO AMENDING AGREEMENT NO. 10

FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $475,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICTY SYSTEM OPERATOR (the **"IESO"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA"**) at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the credit agreement dated January 1, 2005 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the **"Credit Agreement"**).

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:
Authorized Signatory

Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit: $475,000,000

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: William Tan
To: Lisa Stein
Cc: Sarah Harris
Subject: RE: Promissory note between Province of Ontario and OFA for $475M
Date: Thursday, November 02, 2017 4:27:16 PM
Attachments: OIC-1279-2017.pdf

Hi Lisa,

I believe the $975M promissory note has already been reviewed. The $2B OIC is enclosed.

Thanks,

From: Lisa Stein
Sent: Thursday, November 02, 2017 4:24 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Promissory note between Province of Ontario and OFA for $475M

Isn't there a new OIC for FHP?

From: William Tan
Sent: Thursday, November 02, 2017 4:23 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: Promissory note between Province of Ontario and OFA for $475M

Hi Lisa,

The original is from 1997 and amended in 2008. I hope this is helpful.

Thanks,

Will

From: Lisa Stein
Sent: Thursday, November 02, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Promissory note between Province of Ontario and OFA for $475M

Hi Will,

For ease of reference can you please send me the relevant OIC?

Thank you,

Lisa

From: William Tan
Sent: Thursday, November 02, 2017 3:43 PM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Promissory note between Province of Ontario and OFA for $475M

Hello Toby and Lisa,

Please review and comment on the promissory note between the Province of Ontario and the OFA for the new reduced amount of $475M. I've included the previously approved $2B FHP promissory note for comparison purposes.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Executive Council of Ontario/Conseil exécutif de l'Ontario **[Bilingual]**

Ontario

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

Sur la recommandation de la personne soussignée, la lieutenante-gouverneure de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

WHEREAS pursuant to subsection 22(1) of the *Capital Investment Plan Act, 1993* (the "Act"), the Minister of Finance may purchase securities of or make loans to corporations established under subsection 2(1) of the Act in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council considers expedient;

AND WHEREAS the Ontario Financing Authority (the "OFA") is a corporation established under subsection 2(1) of the Act;

AND WHEREAS pursuant to subsection 6(3) of the Act, the power of a corporation established under subsection 2(1) of the Act to borrow and issue securities, among other things, may only be exercised under the authority of a by-law that has been approved by the Minister of Finance;

AND WHEREAS the OFA wishes to borrow up to Two Billion Dollars in lawful money of Canada from the Minister of Finance and has been authorized to do so by a borrowing by-law approved in accordance with the Act;

THEREFORE:

Pursuant to subsection 22 (1) of the Act, the Minister of Finance is authorized to lend a maximum of Two Billion Dollars in lawful money of Canada to the OFA on the following terms and conditions:

(a) the loan may be advanced in such amounts and at such time or times as required by the OFA;

(b) repayment of advances made under the loan plus accrued interest may be made in whole or in part at any time provided that the loan plus any accrued interest shall be fully repaid by December 31, 2047;

(c) each advance (an "Advance") made under the loan hereby authorized shall bear interest at a rate which is determined as follows:

(i) from the date of the Advance to (but excluding) the date of repayment the Advance shall bear interest at a per annum rate equivalent to the yield earned on

ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills immediately preceding the Reset Date for such ninety day period as determined by the Province;

(ii) in the event that moneys included in an Advance are used by the OFA for the purpose of funding loans to third parties (a "Third Party Loan"), the rate of interest payable by the OFA to the Province on the portion of the Advance so used shall be adjusted effective as of the date that the portion of the Advance is used to fund the Third Party Loan so that the per annum rate of interest payable by the OFA on such moneys is equivalent to the per annum rate of interest payable to the OFA under the Third Party Loan less an amount as may be determined by the Minister of Finance in respect of such Third Party Loan or a class of such Third Party Loans, until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently used to fund loans to third parties, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Province on that portion of the Advance used to fund such loan, and so on, until the Advance shall be repaid to the Province in full;

(iv) despite subparagraphs (ii) and (iii), in the event that no interest is payable to the OFA under a Third Party Loan, no interest shall be payable by the OFA on the portion of the Advance so used and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period.

(d) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(e) despite paragraph (b) of this Order, interest on any portion of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the OFA receives payment of interest under the relevant Third Party Loan;

(f) despite paragraph (b) of this Order, any portion of the principal of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall become payable only to the extent the OFA receives repayment of principal under the relevant Third Party Loan; and

(g) the loan hereby authorized shall be evidenced by a promissory note.

ATTENDU QUE le ministre des Finances peut, en vertu du paragraphe 22 (1) de la *Loi de 1993 sur le plan d'investissement* (la « Loi »), acheter des valeurs mobilières des personnes morales

créées en vertu du paragraphe 2 (1) de la Loi ou leur consentir des prêts selon les montants, aux moments et aux conditions que le lieutenant-gouverneur en conseil estime opportuns;

ATTENDU QUE l'Office ontarien de financement (l'« OOF ») est une personne morale créée en vertu du paragraphe 2 (1) de la Loi;

ATTENDU QUE, conformément au paragraphe 6 (3) de la Loi, le pouvoir qu'ont les personnes morales créées en vertu du paragraphe 2 (1) de la Loi de contracter des emprunts et d'émettre des valeurs mobilières, entre autres, ne peut être exercé qu'aux termes d'un règlement administratif approuvé par le ministre des Finances;

ATTENDU QUE l'OOF souhaite emprunter jusqu'à concurrence de deux milliards de dollars en monnaie légale du Canada du ministre des Finances et qu'il a été autorisé à le faire par un règlement administratif d'emprunt approuvé conformément à la Loi;

PAR CONSÉQUENT :

en vertu du paragraphe 22 (1) de la Loi, le ministre des Finances est autorisé à prêter un montant maximal de deux milliards de dollars en monnaie légale du Canada à l'OOF, aux conditions suivantes :

a) le prêt peut être consenti selon les montants et aux moments qui conviennent à l'OOF;

b) le remboursement des avances consenties au titre du prêt, plus les intérêts courus, peut à tout moment être effectué en totalité ou en partie, pourvu que le prêt et les intérêts courus soient entièrement remboursés au plus tard le 31 décembre 2047;

c) chaque avance (« avance ») faite au titre du prêt autorisé par les présentes portera intérêt au taux est fixé comme suit :

(i) de la date où elle a été faite jusqu'à la date (non comprise) de son remboursement, l'avance portera intérêt à un taux annuel équivalant au rendement gagné sur des bons du Trésor de la province de l'Ontario de quatre-vingt-dix jours à la date précédant la date de l'avance fixée par la province, pourvu que ce taux d'intérêt soit rajusté le dernier jour de chaque période de quatre-vingt-dix jours (« date de rajustement ») selon le rendement gagné sur de tels bons du Trésor immédiatement avant la date de rajustement pour une période de quatre-vingt-dix jours décidée par la province, si l'avance est impayée pendant plus de quatre-vingt-dix jours;

(ii) dans l'éventualité où l'OOF se servirait de sommes comprises dans une avance pour financer des prêts à des tiers, le taux d'intérêt à payer par l'OOF à la province sur la partie de l'avance ainsi utilisée sera rajusté à la date à laquelle la partie de l'avance sera utilisée pour le financement du prêt à un tiers de façon que le taux d'intérêt annuel à payer par l'OOF sur de telles sommes soit équivalent à ce dernier taux moins un montant que pourra fixer le ministre des Finances à l'égard d'un tel prêt ou d'une telle catégorie de prêt, jusqu'à la date (non comprise) à laquelle le prêt à un tiers sera remboursé, date à laquelle le taux d'intérêt établi au sous-alinéa (i) s'appliquera de nouveau à cette partie de l'avance;

(iii) dans l'éventualité où les sommes décrites au sous-alinéa (ii), une fois remboursées, seraient ultérieurement utilisées pour le financement de prêts à des tiers, le sous-alinéa (ii) s'appliquera de nouveau dans l'établissement du taux d'intérêt à payer à la province sur la partie de l'avance utilisée à cette fin, et ainsi de suite, jusqu'à ce que l'avance ait été remboursée intégralement à la province;

(iv) malgré les sous-alinéas (ii) et (iii), dans l'éventualité où aucun intérêt ne serait payable à l'OOF au titre d'un prêt à un tiers, aucun intérêt ne sera à payer par l'OOF sur la partie de l'avance ainsi utilisée et dans la mesure où les conditions du prêt à un tiers prévoient le report du paiement d'intérêts courus pour une période, le paiement d'intérêts au titre d'une avance ou d'une partie d'une avance sera également reporté pour une période d'égale durée;

d) l'intérêt payable relativement à toute période de moins d'un an sera calculé en fonction du nombre de jours réellement compris dans cette période, par rapport à une année comptant 365 jours;

e) par dérogation à l'alinéa a) ci-dessus, l'intérêt sur toute partie d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers est calculé comme il est indiqué ci-dessus, mais cet intérêt devient payable uniquement dans la mesure où l'OOF reçoit un paiement d'intérêts au titre du prêt à un tiers;

f) par dérogation à l'alinéa b) ci-dessus, toute partie du capital d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers devient payable uniquement dans la mesure où l'OOF reçoit un remboursement du capital au titre du prêt à un tiers

g) le prêt autorisé en vertu des présentes sera attesté par un billet à ordre.

Recommended: Minister of Finance
Recommandé par : Le ministre des Finances

Deb Matthews

Concurred: Chair of Cabinet
Appuyé par : Le président/la présidente du Conseil des ministres

Approved and Ordered:
Approuvé et décrété le : JUN 28 2017

Lieutenant Governor
La lieutenante-gouverneure

From:	Lisa Stein
To:	William Tan; Tobias P. Whitfield (MOF)
Cc:	Sarah Harris
Subject:	RE: Promissory note between Province of Ontario and OFA for $475M
Date:	Thursday, November 02, 2017 3:43:49 PM

Hi Toby,

I will await your comments.

Thank you,

Lisa

From: William Tan
Sent: Thursday, November 02, 2017 3:43 PM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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From:	Lisa Stein
To:	William Tan
Cc:	Sarah Harris
Subject:	RE: Promissory note between Province of Ontario and OFA for $475M
Date:	Thursday, November 02, 2017 4:23:59 PM

Isn't there a new OIC for FHP?

From: William Tan
Sent: Thursday, November 02, 2017 4:23 PM
To: Lisa Stein
Cc: Sarah Harris
Subject: FW: Promissory note between Province of Ontario and OFA for $475M

Hi Lisa,

The original is from 1997 and amended in 2008. I hope this is helpful.

Thanks,

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Sent: Thursday, November 02, 2017 4:12 PM
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To:	Tobias P. Whitfield (MOF); William Tan
Cc:	Sarah Harris
Subject:	RE: Promissory note between Province of Ontario and OFA for $475M
Date:	Thursday, November 02, 2017 4:12:48 PM

Thank you Toby

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Thursday, November 02, 2017 4:09 PM
To: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Promissory note between Province of Ontario and OFA for $475M

I have reviewed and am fine with the revised note.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: November 2, 2017 3:43 PM
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To:	William Tan
Cc:	Sarah Harris
Subject:	RE: Promissory note between Province of Ontario and OFA for $475M
Date:	Thursday, November 02, 2017 4:11:51 PM

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To: William Tan; Lisa Stein
Cc: Sarah Harris
Subject: RE: Promissory note between Province of Ontario and OFA for $475M
Date: Thursday, November 02, 2017 4:08:46 PM

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Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: William Tan [mailto:William.Tan@ofina.on.ca]
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From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris
Subject:	RE: Promissory note between Province of Ontario and OFA for $475M
Date:	Thursday, November 02, 2017 4:27:16 PM
Attachments:	OIC-1279-2017.pdf

Hi Lisa,

I believe the $975M promissory note has already been reviewed. The $2B OIC is enclosed.

Thanks,

From: Lisa Stein
Sent: Thursday, November 02, 2017 4:24 PM
To: William Tan
Cc: Sarah Harris
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To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: Promissory note between Province of Ontario and OFA for $475M

Hello Toby and Lisa,

Please review and comment on the promissory note between the Province of Ontario and the OFA for the new reduced amount of $475M. I've included the previously approved $2B FHP promissory note for comparison purposes.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority

1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged and confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message including any attachments, without reading it or making a copy. Thank you

Executive Council of Ontario/Conseil exécutif de l'Ontario **[Bilingual]**

Ontario

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

Sur la recommandation de la personne soussignée, la lieutenante-gouverneure de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

WHEREAS pursuant to subsection 22(1) of the *Capital Investment Plan Act, 1993* (the "Act"), the Minister of Finance may purchase securities of or make loans to corporations established under subsection 2(1) of the Act in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council considers expedient;

AND WHEREAS the Ontario Financing Authority (the "OFA") is a corporation established under subsection 2(1) of the Act;

AND WHEREAS pursuant to subsection 6(3) of the Act, the power of a corporation established under subsection 2(1) of the Act to borrow and issue securities, among other things, may only be exercised under the authority of a by-law that has been approved by the Minister of Finance;

AND WHEREAS the OFA wishes to borrow up to Two Billion Dollars in lawful money of Canada from the Minister of Finance and has been authorized to do so by a borrowing by-law approved in accordance with the Act;

THEREFORE:

Pursuant to subsection 22 (1) of the Act, the Minister of Finance is authorized to lend a maximum of Two Billion Dollars in lawful money of Canada to the OFA on the following terms and conditions:

(a) the loan may be advanced in such amounts and at such time or times as required by the OFA;

(b) repayment of advances made under the loan plus accrued interest may be made in whole or in part at any time provided that the loan plus any accrued interest shall be fully repaid by December 31, 2047;

(c) each advance (an "Advance") made under the loan hereby authorized shall bear interest at a rate which is determined as follows:

(i) from the date of the Advance to (but excluding) the date of repayment the Advance shall bear interest at a per annum rate equivalent to the yield earned on

ninety day Province of Ontario treasury bills on the date before the Advance Date as determined by the Province, provided that if an Advance is outstanding for longer than ninety days, the interest rate shall be reset on the last day of each ninety day period (the "Reset Date") to the yield earned on ninety day Province of Ontario treasury bills immediately preceding the Reset Date for such ninety day period as determined by the Province;

(ii) in the event that moneys included in an Advance are used by the OFA for the purpose of funding loans to third parties (a "Third Party Loan"), the rate of interest payable by the OFA to the Province on the portion of the Advance so used shall be adjusted effective as of the date that the portion of the Advance is used to fund the Third Party Loan so that the per annum rate of interest payable by the OFA on such moneys is equivalent to the per annum rate of interest payable to the OFA under the Third Party Loan less an amount as may be determined by the Minister of Finance in respect of such Third Party Loan or a class of such Third Party Loans, until but excluding the date on which the Third Party Loan is repaid, at which time the interest rate set out in subparagraph (i) shall again be applicable to that portion of the Advance; and

(iii) in the event that moneys described in subparagraph (ii), once repaid, are subsequently used to fund loans to third parties, subparagraph (ii) shall again be applicable in determining the interest rate payable to the Province on that portion of the Advance used to fund such loan, and so on, until the Advance shall be repaid to the Province in full;

(iv) despite subparagraphs (ii) and (iii), in the event that no interest is payable to the OFA under a Third Party Loan, no interest shall be payable by the OFA on the portion of the Advance so used and to the extent that the terms of a Third Party Loan provide for the deferral of the payment of accrued interest for a period, the interest payment terms of an Advance or portion thereof shall also be deferred for a similar period.

(d) interest for any period of less than one year shall be payable for the actual number of days included in such period, computed on the basis of a 365-day year;

(e) despite paragraph (b) of this Order, interest on any portion of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall accrue on the basis stated above but shall become payable only to the extent the OFA receives payment of interest under the relevant Third Party Loan;

(f) despite paragraph (b) of this Order, any portion of the principal of an Advance made to the OFA under the loan that is used by the OFA to fund a Third Party Loan shall become payable only to the extent the OFA receives repayment of principal under the relevant Third Party Loan; and

(g) the loan hereby authorized shall be evidenced by a promissory note.

ATTENDU QUE le ministre des Finances peut, en vertu du paragraphe 22 (1) de la *Loi de 1993 sur le plan d'investissement* (la « Loi »), acheter des valeurs mobilières des personnes morales

créées en vertu du paragraphe 2 (1) de la Loi ou leur consentir des prêts selon les montants, aux moments et aux conditions que le lieutenant-gouverneur en conseil estime opportuns;

ATTENDU QUE l'Office ontarien de financement (l'« OOF ») est une personne morale créée en vertu du paragraphe 2 (1) de la Loi;

ATTENDU QUE, conformément au paragraphe 6 (3) de la Loi, le pouvoir qu'ont les personnes morales créées en vertu du paragraphe 2 (1) de la Loi de contracter des emprunts et d'émettre des valeurs mobilières, entre autres, ne peut être exercé qu'aux termes d'un règlement administratif approuvé par le ministre des Finances;

ATTENDU QUE l'OOF souhaite emprunter jusqu'à concurrence de deux milliards de dollars en monnaie légale du Canada du ministre des Finances et qu'il a été autorisé à le faire par un règlement administratif d'emprunt approuvé conformément à la Loi;

PAR CONSÉQUENT :

en vertu du paragraphe 22 (1) de la Loi, le ministre des Finances est autorisé à prêter un montant maximal de deux milliards de dollars en monnaie légale du Canada à l'OOF, aux conditions suivantes :

a) le prêt peut être consenti selon les montants et aux moments qui conviennent à l'OOF;

b) le remboursement des avances consenties au titre du prêt, plus les intérêts courus, peut à tout moment être effectué en totalité ou en partie, pourvu que le prêt et les intérêts courus soient entièrement remboursés au plus tard le 31 décembre 2047;

c) chaque avance (« avance ») faite au titre du prêt autorisé par les présentes portera intérêt au taux est fixé comme suit :

(i) de la date où elle a été faite jusqu'à la date (non comprise) de son remboursement, l'avance portera intérêt à un taux annuel équivalant au rendement gagné sur des bons du Trésor de la province de l'Ontario de quatre-vingt-dix jours à la date précédant la date de l'avance fixée par la province, pourvu que ce taux d'intérêt soit rajusté le dernier jour de chaque période de quatre-vingt-dix jours (« date de rajustement ») selon le rendement gagné sur de tels bons du Trésor immédiatement avant la date de rajustement pour une période de quatre-vingt-dix jours décidée par la province, si l'avance est impayée pendant plus de quatre-vingt-dix jours;

(ii) dans l'éventualité où l'OOF se servirait de sommes comprises dans une avance pour financer des prêts à des tiers, le taux d'intérêt à payer par l'OOF à la province sur la partie de l'avance ainsi utilisée sera rajusté à la date à laquelle la partie de l'avance sera utilisée pour le financement du prêt à un tiers de façon que le taux d'intérêt annuel à payer par l'OOF sur de telles sommes soit équivalent à ce dernier taux moins un montant que pourra fixer le ministre des Finances à l'égard d'un tel prêt ou d'une telle catégorie de prêt, jusqu'à la date (non comprise) à laquelle le prêt à un tiers sera remboursé, date à laquelle le taux d'intérêt établi au sous-alinéa (i) s'appliquera de nouveau à cette partie de l'avance;

(iii) dans l'éventualité où les sommes décrites au sous-alinéa (ii), une fois remboursées, seraient ultérieurement utilisées pour le financement de prêts à des tiers, le sous-alinéa (ii) s'appliquera de nouveau dans l'établissement du taux d'intérêt à payer à la province sur la partie de l'avance utilisée à cette fin, et ainsi de suite, jusqu'à ce que l'avance ait été remboursée intégralement à la province;

(iv) malgré les sous-alinéas (ii) et (iii), dans l'éventualité où aucun intérêt ne serait payable à l'OOF au titre d'un prêt à un tiers, aucun intérêt ne sera à payer par l'OOF sur la partie de l'avance ainsi utilisée et dans la mesure où les conditions du prêt à un tiers prévoient le report du paiement d'intérêts courus pour une période, le paiement d'intérêts au titre d'une avance ou d'une partie d'une avance sera également reporté pour une période d'égale durée;

d) l'intérêt payable relativement à toute période de moins d'un an sera calculé en fonction du nombre de jours réellement compris dans cette période, par rapport à une année comptant 365 jours;

e) par dérogation à l'alinéa a) ci-dessus, l'intérêt sur toute partie d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers est calculé comme il est indiqué ci-dessus, mais cet intérêt devient payable uniquement dans la mesure où l'OOF reçoit un paiement d'intérêts au titre du prêt à un tiers;

f) par dérogation à l'alinéa b) ci-dessus, toute partie du capital d'une avance consentie à l'OOF dans le cadre du prêt que cette dernière utilise pour financer un prêt à un tiers devient payable uniquement dans la mesure où l'OOF reçoit un remboursement du capital au titre du prêt à un tiers

g) le prêt autorisé en vertu des présentes sera attesté par un billet à ordre.

Recommended: Minister of Finance
Recommandé par : Le ministre des Finances

Deb Matthews

Concurred: Chair of Cabinet
Appuyé par : Le président/la présidente du Conseil des ministres

Approved and Ordered:
Approuvé et décrété le : JUN 28 2017

Lieutenant Governor
La lieutenante-gouverneure

From: Jean-Francois Beaupre
To: Sarah Harris
Subject: RE: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
Date: Thursday, November 02, 2017 10:50:00 AM

Lucky you…

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Sarah.

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Thanks, Malle. I will try to attend most of it. I'm tied up with finalizing the IESO Fair Hydro Plan Agreements for execution tomorrow, and we're trying to organize a call today with IESO today. I may need to drop in and out.
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Please find attached preliminary drafts of the Protection Agreement and the Process Agreement for discussion at our meeting this afternoon.
Note that these drafts contain a number of issues that are still under consideration and up for

discussion.

Best

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

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From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: November 2, 2017 8:31 AM
To: Anna Strathy; Whitfield, Tobias P. (MOF); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
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Subject: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
When: November 2, 2017 12:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Executive Boardroom, 14th Floor, 1 Dundas OR Teleconference 1-866-602-5461 or 416-212-8011 | Conference ID: 4717656

Nov 2: Rescheduled from 10:00am to 12:00pm

MOF Legal is expecting a second draft between 9 and 10am today. The later meeting time will allow time to review prior to discussing.

Lunch will be provided

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Local dial-in number: 416-212-8011

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OFA to Moderate

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To:	Malle Hanslep (MOF)
Cc:	Tobias P. Whitfield (MOF)
Subject:	RE: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
Date:	Thursday, November 02, 2017 10:42:38 AM

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From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: November 2, 2017 8:31 AM
To: Anna Strathy; Whitfield, Tobias P. (MOF); Mayman, Gadi (OFA); Kandeepan, Ken (OFA); Hanslep, Malle (MOF); Veinot, Cindy (TBS); Manning, Mike (OFA); Kwan, Ronald (OFA); Nelms, Scott (MOF); Devine, James (OFA); Yep, Carlos (OFA); Cengarle, John (MOF); Katona, Keley (MOF); Donaldson, Mark (TBS); Zahid, Usman (OFA); Hirani, Anis (OFA); Kim, John (OFA); McKinlay, Tom (MAG); Thouin, Alena (ENERGY); 'stephen.ashbourne@blakes.com'; Gavaris, Hresa (OFA); John Psinas
Cc: Hume, Steen (ENERGY); Cayley, Daniel (ENERGY)
Subject: Review Draft Guarantee & Procedures Document | OFA, OPCD, MOF, Legal Counsel
When: November 2, 2017 12:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Executive Boardroom, 14th Floor, 1 Dundas OR Teleconference 1-866-602-5461 or 416-212-8011 | Conference ID: 4717656

Nov 2: Rescheduled from 10:00am to 12:00pm

MOF Legal is expecting a second draft between 9 and 10am today. The later meeting time will allow time to review prior to discussing.

Lunch will be provided

Toll-free dial-in number: 1-866-602-5461

Local dial-in number: 416-212-8011

Conference ID: 4717656

OFA to Moderate

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From: Lisa Stein
To: William Tan
Cc: Sarah Harris
Subject: RE: September Election Notice
Date: Wednesday, September 13, 2017 2:55:36 PM

We will need to amend the amending agreement again if not executed prior to the notice. However, if amending agreement and FHP credit facility agreement are signed, I assume these numbers will change in any event.
Lisa

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 13, 2017 2:48 PM
To: William Tan
Cc: Sarah Harris ; Victor Buza ; Lisa Stein
Subject: Re: September Election Notice

The estimate provided by ieso settlement staff is 220 million plus the current 404 million.
Notice will be sent on sept 19 for deposit on sept 21.
Regards.

From: William.Tan@ofina.on.ca
Sent: September 13, 2017 10:46 AM
To: Anthony.Martinello@ieso.ca
Cc: Sarah.Harris@ofina.on.ca; Victor.Buza@ieso.ca; Lisa.Stein@ofina.on.ca
Subject: September Election Notice

Hi Anthony,
Sarah brought up the fact that we are expecting September's Election Notice in the next few days. Approximately when do you expect Olga to be sending the Election Notice and approximately for how much?
Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Lisa Stein
To: William Tan
Cc: Sarah Harris
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Date: Wednesday, September 13, 2017 2:55:36 PM

We will need to amend the amending agreement again if not executed prior to the notice. However, if amending agreement and FHP credit facility agreement are signed, I assume these numbers will change in any event.

Lisa

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Wednesday, September 13, 2017 2:48 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: Re: September Election Notice

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From:	Sarah Harris
To:	Dean Hwang
Subject:	RE: Status Update
Date:	Tuesday, October 31, 2017 10:20:08 AM

Thanks, Dean. So we've now filed registration statements for all of CSAs counterparties, or just the schedule 1 banks?

Sarah

From: Dean Hwang
Sent: Tuesday, October 31, 2017 10:01 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Status Update

Hi Sarah,

Please see below.

1. Metrolinx: Mike resent SLA to Metrolinx. CIBC issues are being discussed with Dimitri and Malle and will get back to Jason, soon.
2. Electronic Signature: Adobe Digital Signature Feature is one, but has an issue when a signatory is not available to approve online (i.e. phone approval could be a problem). Other options are being researched. To be discussed with Sab.
3. RBC CSA: RBC Registration (for possible cash collateral) is done with a 5-year validity.
4. LCH Client Reporting: Sent an email asking why we get the notice (i.e. any agreement between the Province and LCH?). No response so far.
5. Fair Hydro ISDA: Draft received. To be discussed.

W.B. Dean Hwang | *Derivative Documentation Coordinator*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel: (416) 325-0004 | Fax: (416) 204-6141 | e-mail: dean.hwang@ofina.on.ca

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged and confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply email and permanently delete this message including any attachments, without reading it or making a copy. Thank you.

From: Sarah Harris
Sent: Tuesday, October 31, 2017 9:22 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>; Dean Hwang <Dean.Hwang@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Karin Sze <Karin.Sze@ofina.on.ca>; Ryan Blackbyrne <Ryan.Blackbyrne@ofina.on.ca>; Sab Horvath <Sab.Horvath@ofina.on.ca>
Subject: Status Update

Good morning,

Could you please send me your status update by 10 a.m.

Thanks,
Sarah

From: Sarah Harris
To: William Tan
Subject: RE: Status Update
Date: Tuesday, October 31, 2017 10:05:25 AM

Thanks, Will. IF you need assistance with Loans, please let me know.
Sarah

From: William Tan
Sent: Friday, October 13, 2017 11:31 AM
To: Sarah Harris
Subject: FW: Status Update

Good morning Sarah,

1. IESO

i. Awaiting Intercept letter agreement and agreements to be signed.
ii. Email to all internal parties.

2. Received a flurry of OILC Loans. Loans 338 to 349 at various stages of the process.
3. FX Confirmation review – Review ISDA Section 6 to confirm if all banks are performing spot confirmations according to the agreement.
4. Invoice cost review for JF.
5. OLMS report/OILC Loan confirmation improvement – Awaiting reply from Craig to hear about feasibility. Craig drops by every 3rd day indicating that he hasn't had time to review my emails yet. 2nd week of no movement.
6. Procedure improvement review – Awaiting Ryan to provide revised sample procedure to the department.
7. Update T-bill procedure manual – pending test of new procedures before I document them.
8. Bond exchange procedures – drafts submitted.

From: Sarah Harris
Sent: Friday, October 13, 2017 9:09 AM
To: Dean Hwang <Dean.Hwang@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; Ryan Blackbyrne <Ryan.Blackbyrne@ofina.on.ca>; Sab Horvath <Sab.Horvath@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>
Subject: Status Update

Good morning,
Would you please send me a status update on your files by 10 a.m.
Thanks,
Sarah

From: Sarah Harris
To: William Tan
Subject: RE: Status Update
Date: Tuesday, October 03, 2017 2:27:24 PM

Thanks, Will.

From: William Tan
Sent: Tuesday, October 03, 2017 9:35 AM
To: Sarah Harris
Subject: FW: Status Update

Good morning Sarah,

1. IESO

i. Awaiting Intercept letter agreement and agreements to be signed.
ii. Speak to John on organizing OLMS to accommodate $2B Credit Facility and entering his own loans.
iii. Get update from John Kim on signing of Intercept Letter.
iv. Alfonso Soriano request for information to Anthony Martinello.
v. Update Mike on status of the signing of the Intercept Letter and Plan B if documents are not signed.

2. OLMS report/OILC Loan confirmation improvement – Awaiting reply from Craig to hear about feasibility.
3. Procedure improvement review – Awaiting Ryan to provide sample to the department.
4. Update T-bill procedure manual – pending test of new procedures before I document them.
5. Bond exchange procedures – drafts submitted.

From: Sarah Harris
Sent: Tuesday, October 03, 2017 9:11 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>; Dean Hwang <Dean.Hwang@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Karin Sze <Karin.Sze@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sab Horvath <Sab.Horvath@ofina.on.ca>; Ryan Blackbyrne <Ryan.Blackbyrne@ofina.on.ca>
Subject: Status Update

Good morning,
Would you please provide me with an update of you files by 10 a.m.
Thanks,
Sarah

From: Sarah Harris
To: William Tan
Subject: RE: Status Update
Date: Tuesday, September 12, 2017 12:45:00 PM

Thanks, Will.

From: William Tan
Sent: Tuesday, September 12, 2017 8:29 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FW: Status Update

Good morning Sarah,

1. IESO
   FHP Credit facility agreement – Awaiting for IESO to confirm small changes.
   AA10 – Awaiting for IESO to confirm small changes.
   Ministerial Directive – OEFC still working on this. I will check-in with John today.

2. OILC large volume last week.
3. OLMS report/OILC Loan confirmation improvement.
4. Update T-bill procedure manual – pending test of new procedures before I document them.
5. Bond exchange procedures – drafts submitted.

Thanks,

From: Sarah Harris
Sent: Monday, September 11, 2017 2:44 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>; Dean Hwang <Dean.Hwang@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Karin Sze <Karin.Sze@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; Ryan Blackbyrne <Ryan.Blackbyrne@ofina.on.ca>; Sab Horvath <Sab.Horvath@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: Status Update

Hello,

Would you please provide me with a status update on your projects by tomorrow morning, 9:30 a.m.

Thank you.

Sarah

From: Sarah Harris
To: William Tan
Subject: RE: Status Update
Date: Tuesday, September 12, 2017 12:45:00 PM

Thanks, Will.

From: William Tan
Sent: Tuesday, September 12, 2017 8:29 AM
To: Sarah Harris
Subject: FW: Status Update

Good morning Sarah,

1. IESO

FHP Credit facility agreement – Awaiting for IESO to confirm small changes.

AA10 – Awaiting for IESO to confirm small changes.

Ministerial Directive – OEFC still working on this. I will check-in with John today.

2. OILC large volume last week.
3. OLMS report/OILC Loan confirmation improvement.
4. Update T-bill procedure manual – pending test of new procedures before I document them.
5. Bond exchange procedures – drafts submitted.

Thanks,

From: Sarah Harris
Sent: Monday, September 11, 2017 2:44 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>; Dean Hwang <Dean.Hwang@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Karin Sze <Karin.Sze@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; Ryan Blackbyrne <Ryan.Blackbyrne@ofina.on.ca>; Sab Horvath <Sab.Horvath@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: Status Update

Hello,

Would you please provide me with a status update on your projects by tomorrow morning, 9:30 a.m.

Thank you.

Sarah

From:	Sarah Harris
To:	Kelly Listoe
Subject:	RE: Status Update
Date:	Tuesday, September 12, 2017 9:21:48 AM

Thanks, Kelly.

From: Kelly Listoe
Sent: Tuesday, September 12, 2017 9:13 AM
To: Sarah Harris
Subject: RE: Status Update

Total outstanding is $400MM and it has been executed.

Kelly Listoe
Documentation & Compliance Coordinator
Capital Markets
Ontario Financing Authority
1 Dundas Street West, Ste. 1400
Toronto, ON. M7A 1Y7
(416) 325 - 8129

From: Sarah Harris
Sent: Tuesday, September 12, 2017 9:12 AM
To: Kelly Listoe <Kelly.Listoe@ofina.on.ca>
Subject: RE: Status Update

Thanks very much, Kelly. Please see my questions below.

Sarah

From: Kelly Listoe
Sent: Tuesday, September 12, 2017 9:05 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Status Update

- New OPG advance request – Sept. 22 for $400MM/ 30 years. Do you know what the total draws are now under the facility at this point?
- OPG Amendment 3 has been finalized. Just to clarify – drafting finalized, and execution pending? Or is the amendment executed?

Kelly Listoe
Documentation & Compliance Coordinator
Capital Markets
Ontario Financing Authority
1 Dundas Street West, Ste. 1400
Toronto, ON. M7A 1Y7
(416) 325 - 8129

From: Sarah Harris
Sent: Monday, September 11, 2017 2:44 PM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>; Dean Hwang <Dean.Hwang@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Karin Sze <Karin.Sze@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; Ryan Blackbyrne <Ryan.Blackbyrne@ofina.on.ca>; Sab Horvath <Sab.Horvath@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>

Subject: Status Update

Hello,

Would you please provide me with a status update on your projects by tomorrow morning, 9:30 a.m.

Thank you.

Sarah

From:	Kelly Listoe
To:	Sarah Harris
Subject:	RE: Status Update
Date:	Tuesday, September 12, 2017 9:12:34 AM

Total outstanding is $400MM and it has been executed.

Kelly Listoe
Documentation & Compliance Coordinator
Capital Markets
Ontario Financing Authority
1 Dundas Street West, Ste. 1400
Toronto, ON. M7A 1Y7
(416) 325 - 8129

From: Sarah Harris
Sent: Tuesday, September 12, 2017 9:12 AM
To: Kelly Listoe
Subject: RE: Status Update

Thanks very much, Kelly. Please see my questions below.
Sarah

From: Kelly Listoe
Sent: Tuesday, September 12, 2017 9:05 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Status Update

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(416) 325 - 8129

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To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>; Dean Hwang <Dean.Hwang@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Karin Sze <Karin.Sze@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; Ryan Blackbyrne <Ryan.Blackbyrne@ofina.on.ca>; Sab Horvath <Sab.Horvath@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: Status Update

Hello,
Would you please provide me with a status update on your projects by tomorrow morning, 9:30 a.m.
Thank you.
Sarah

From: Sarah Harris
To: Kelly Listoe
Subject: RE: Status Update
Date: Tuesday, September 12, 2017 9:11:45 AM

Thanks very much, Kelly. Please see my questions below.
Sarah

From: Kelly Listoe
Sent: Tuesday, September 12, 2017 9:05 AM
To: Sarah Harris
Subject: RE: Status Update

- New OPG advance request – Sept. 22 for $400MM/ 30 years. Do you know what the total draws are now under the facility at this point?
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Subject: Status Update

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Thank you.
Sarah

From: Kelly Listoe
To: Sarah Harris
Subject: RE: Status Update
Date: Tuesday, September 12, 2017 9:04:47 AM

- New OPG advance request – Sept. 22 for $400MM/ 30 years.
- OPG Amendment 3 has been finalized

Kelly Listoe
Documentation & Compliance Coordinator
Capital Markets
Ontario Financing Authority
1 Dundas Street West, Ste. 1400
Toronto, ON. M7A 1Y7
(416) 325 - 8129

From: Sarah Harris
Sent: Monday, September 11, 2017 2:44 PM
To: Andrea Dalgarno ; Dean Hwang ; Jean-Francois Beaupre ; Karin Sze ; Kelly Listoe ; Ryan Blackbyrne ; Sab Horvath ; William Tan
Subject: Status Update

Hello,
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Thank you.
Sarah

From:	Sarah Harris
To:	Dean Hwang
Subject:	RE: Status Update
Date:	Tuesday, October 31, 2017 10:27:27 AM

Great. Thanks, Dean.

From: Dean Hwang
Sent: Tuesday, October 31, 2017 10:22 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Status Update

Sarah,

We now have registration with all CSA Counterparties (including international counterparties).

W.B. Dean Hwang | *Derivative Documentation Coordinator*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel: (416) 325-0004 | Fax: (416) 204-6141 | e-mail: dean.hwang@ofina.on.ca

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From: Sarah Harris
Sent: Tuesday, October 31, 2017 10:20 AM
To: Dean Hwang <Dean.Hwang@ofina.on.ca>
Subject: RE: Status Update

Thanks, Dean. So we've now filed registration statements for all of CSAs counterparties, or just the schedule 1 banks?

Sarah

From: Dean Hwang
Sent: Tuesday, October 31, 2017 10:01 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Status Update

Hi Sarah,

Please see below.

1. Metrolinx: Mike resent SLA to Metrolinx. CIBC issues are being discussed with Dimitri and Malle and will get back to Jason, soon.
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3. RBC CSA: RBC Registration (for possible cash collateral) is done with a 5-year validity.
4. LCH Client Reporting: Sent an email asking why we get the notice (i.e. any agreement between the Province and LCH?). No response so far.
5. Fair Hydro ISDA: Draft received. To be discussed.

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Sent: Tuesday, October 31, 2017 9:22 AM
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Subject: Status Update

Good morning,

Could you please send me your status update by 10 a.m.

Thanks,
Sarah

From: Kelly Listoe
To: Sarah Harris
Subject: RE: Status updates
Date: Tuesday, September 19, 2017 9:36:15 AM

Hi Sarah
The OPG draw on Friday.
Kelly Listoe
Documentation & Compliance Coordinator
Capital Markets
Ontario Financing Authority
1 Dundas Street West, Ste. 1400
Toronto, ON. M7A 1Y7
(416) 325 - 8129

From: Sarah Harris
Sent: Tuesday, September 19, 2017 8:42 AM
To: Andrea Dalgarno ; Dean Hwang ; Jean-Francois Beaupre ; Karin Sze ; Kelly Listoe ; Ryan Blackbyrne ; Sab Horvath ; William Tan
Subject: Status updates
Good morning,
Would you please send me a brief status update on your files by 9:45 a.m.
Thanks,
Sarah

From: Sarah Harris
To: William Tan
Subject: RE: Status updates
Date: Tuesday, September 19, 2017 1:54:22 PM

Thanks, Will.

From: William Tan
Sent: Tuesday, September 19, 2017 9:34 AM
To: Sarah Harris
Subject: FW: Status updates

Good morning Sarah,

1. IESO

Ministerial Directive – OEFC still working on this. I will check-in with John today.

2. OILC large volume last week.
3. OLMS report/OILC Loan confirmation improvement.
4. Update T-bill procedure manual – pending test of new procedures before I document them.
5. Bond exchange procedures – drafts submitted.

Last 24 hours.

Admin day yesterday.

Processed invoices and updated MOF LSB on f/x equivalents.

Replied to two o/s debt borrowing authority updates.

Prepared files for new OILC loans.

Faxed f/x confirms.

Ordered planner.

From: Sarah Harris
Sent: Tuesday, September 19, 2017 8:42 AM
To: Andrea Dalgarno <Andrea.Dalgarno@ofina.on.ca>; Dean Hwang <Dean.Hwang@ofina.on.ca>; Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Karin Sze <Karin.Sze@ofina.on.ca>; Kelly Listoe <Kelly.Listoe@ofina.on.ca>; Ryan Blackbyrne <Ryan.Blackbyrne@ofina.on.ca>; Sab Horvath <Sab.Horvath@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: Status updates

Good morning,

Would you please send me a brief status update on your files by 9:45 a.m.

Thanks,

Sarah

From: Lisa Stein
To: "Victor Buza"
Cc: Sarah Harris
Subject: RE: Touch Base
Date: Friday, September 08, 2017 5:48:55 PM

Hi Victor,
I don't see anything pressing. However, internal discussion still required so we will get back to you on Monday (more likely in the afternoon).
Have a great weekend!
Lisa

From: Sarah Harris
Sent: Friday, September 08, 2017 4:07 PM
To: 'Victor Buza'
Cc: William Tan ; Lisa Stein ; Anthony Martinello ; John Kim ; Shajee Kathirgamanathan
Subject: RE: Touch Base
Thank you, Victor.
As an update, the directive wasn't signed today; we've had it escalated.
I have to run from the office, but Lisa Stein is currently reviewing the draft and I've asked that she get back to you if she sees anything pressing. I will also look at both agreements tonight and we will provide comments Monday morning.
Best regards,
Sarah
416-325-8193

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Touch Base
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416-969-6079

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Sent: September 08, 2017 12:45 PM
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Cc: William Tan; Lisa Stein
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From: Lisa Stein
To: Sarah Harris
Subject: RE: Touch Base
Date: Friday, September 08, 2017 5:47:27 PM

Hi Sarah,
Let's discuss his comments re: 3.2 on Monday; otherwise nothing substantive.
Lisa

From: Sarah Harris
Sent: Friday, September 08, 2017 4:07 PM
To: 'Victor Buza'
Cc: William Tan ; Lisa Stein ; Anthony Martinello ; John Kim ; Shajee Kathirgamanathan
Subject: RE: Touch Base

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Sarah
416-325-8193

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
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From:	Victor Buza
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From: Victor Buza
To: Sarah Harris
Cc: William Tan; Lisa Stein; Anthony Martinello
Subject: RE: Touch Base
Date: Friday, September 08, 2017 3:31:52 PM
Attachments: FHP credit facility agreement IESO Legal Sept 8.docx

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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

Commented [VB1]: NOTE - I bolded the 3 defined terms

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"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

Commented [VB2]: Grammar corrected

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Commented [VB3]: grammar requires correction

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Commented [VB4]: Made consistent with the language in Amending Agreement #10 and standard practice

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance. [Either end sentence after "Advance" and delete remainder, OR keep the remainder but insert the words: "which shall in any case be] in accordance with Section 2.2]. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

Commented [VB5]: IESO is not actually certifying in accordance with the language in s.2.2, so this should be fixed in accordance with one of the options in order to be accurate.

Commented [VB6]: This appears to be the same as the definition of "Advances Outstanding" so ordinarily should use the defined term - see also item (v) of Grid Note. If this is different than the defined term, let us know.

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after D~~d~~efault and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

Commented [VB7]: This is a defined term

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Ddefault or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Commented [VB8]: Defined term

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies~~moneys~~ or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of~~or~~ this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ~~Election Notice~~ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. ~~Borrowing Notice~~BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3)~~3.2~~ of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

~~By: _____~~

Commented [VB9]: Per the terms of our Board Resolution, IESO's CFO is authorized to sign all agreements, instruments and ancillary documents - no second signature line required here

Revolving Credit Facility Grid Note

Ontario Financing Authority

Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment		Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: Victor Buza
To: Sarah Harris
Cc: William Tan; Lisa Stein; Anthony Martinello
Subject: RE: Touch Base
Date: Friday, September 08, 2017 3:31:52 PM
Attachments: FHP credit facility agreement IESO Legal Sept 8.docx

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Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).
The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.
Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.
Regards,
Victor
416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,
Will is sick today, so I wanted touch base with you on the agreements and the directive.
Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.
In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.
Thanks,
Sarah

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.
This e-mail message and any files transmitted with it are intended only for the named

recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September (·), 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the (·) day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**")
(as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**")
(as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

Commented [VB1]: NOTE - I bolded the 3 defined terms

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"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

Commented [VB2]: Grammar corrected

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Commented [VB3]: grammar requires correction

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Commented [VB4]: Made consistent with the language in Amending Agreement #10 and standard practice

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance. [Either end sentence after "Advance" and delete remainder, OR keep the remainder but insert the words: "which shall in any case be] in accordance with Section 2.2]. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than

Commented [VB5]: IESO is not actually certifying in accordance with the language in s.2.2, so this should be fixed in accordance with one of the options in order to be accurate.

Commented [VB6]: This appears to be the same as the definition of "Advances Outstanding" so ordinarily should use the defined term - see also item (v) of Grid Note. If this is different than the defined term, let us know.

10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after D~~d~~efault and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the

Commented [VB7]: This is a defined term

OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Ddefault or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Commented [VB8]: Defined term

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest

accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies~~moneys~~ or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)325-8111

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of~~or~~ this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Fax: 416-204-7920

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ~~Election Notice~~ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. ~~Borrowing Notice~~BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3)~~3.2~~ of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____

~~By: _____~~

Commented [VB9]: Per the terms of our Board Resolution, IESO's CFO is authorized to sign all agreements, instruments and ancillary documents - no second signature line required here

Revolving Credit Facility Grid Note

Ontario Financing Authority

Line of Credit Grid Note

Entity :	Independent Electricity System Operator
Loan Limit:	
Project:	
Schedule of loan transactions to:	
Loan Advanced to:	

New Loan and/or Rollover						Actual Repayment					
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment		Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: Lisa Stein
To: "Victor Buza"
Cc: Sarah Harris
Subject: RE: Touch Base
Date: Friday, September 08, 2017 5:48:55 PM

Hi Victor,
I don't see anything pressing. However, internal discussion still required so we will get back to you on Monday (more likely in the afternoon).
Have a great weekend!
Lisa

From: Sarah Harris
Sent: Friday, September 08, 2017 4:07 PM
To: 'Victor Buza'
Cc: William Tan ; Lisa Stein ; Anthony Martinello ; John Kim ; Shajee Kathirgamanathan
Subject: RE: Touch Base
Thank you, Victor.
As an update, the directive wasn't signed today; we've had it escalated.
I have to run from the office, but Lisa Stein is currently reviewing the draft and I've asked that she get back to you if she sees anything pressing. I will also look at both agreements tonight and we will provide comments Monday morning.
Best regards,
Sarah
416-325-8193

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Touch Base
Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).
The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.
Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.
Regards,
Victor
416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base
Hi Anthony and Victor,
Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

From: Sarah Harris
To: William Tan
Subject: RE: Update
Date: Tuesday, September 05, 2017 11:36:46 AM

Thank you, Will.

-----Original Message-----
From: William Tan
Sent: Tuesday, September 05, 2017 9:42 AM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: Update

Good morning Sarah,

1. IESO
AA10 – Follow-up with Anthony at 11am today, with phone call or email.
FHP Credit facility agreement – Follow-up on the same phone call or email.
Ministerial Directive – Follow-up with John Kim on Wednesday.

2. OILC FRN Awaiting draft documents, getting Andrea to review it.
3. OLMS report/OILC Loan confirmation improvement.
4. Update T-bill procedure manual – pending test of new procedures before I document them.
5. Bond exchange procedures – drafts submitted.

Thanks,

Will

-----Original Message-----
From: Sarah Harris
Sent: Tuesday, September 05, 2017 9:01 AM
To: Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Ryan Blackbyrne <Ryan.Blackbyrne@ofina.on.ca>; Dean Hwang <Dean.Hwang@ofina.on.ca>; Karin Sze <Karin.Sze@ofina.on.ca>; Sab Horvath <Sab.Horvath@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: Update

Good morning,

Would you please provide me with an update on your files by 10 am.

Thanks,
Sarah

Sent from my iPhone

From: William Tan
To: Sarah Harris
Subject: RE: Update
Date: Tuesday, September 05, 2017 9:41:57 AM

Good morning Sarah,

1. IESO
   AA10 – Follow-up with Anthony at 11am today, with phone call or email.
   FHP Credit facility agreement – Follow-up on the same phone call or email.
   Ministerial Directive – Follow-up with John Kim on Wednesday.

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Will

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Sent: Tuesday, September 05, 2017 9:01 AM
To: Jean-Francois Beaupre <Jean-Francois.Beaupre@ofina.on.ca>; Ryan Blackbyrne <Ryan.Blackbyrne@ofina.on.ca>; Dean Hwang <Dean.Hwang@ofina.on.ca>; Karin Sze <Karin.Sze@ofina.on.ca>; Sab Horvath <Sab.Horvath@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
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Subject: Update

Good morning,

Would you please provide me with an update on your files by 10 am.

Thanks,
Sarah

Sent from my iPhone

From: Sarah Harris
To: John Kim
Subject: RE: directive
Date: Friday, September 08, 2017 12:59:10 PM

Thanks, John.
Much appreciated.
Sarah

From: John Kim
Sent: Friday, September 08, 2017 12:58 PM
To: Sarah Harris
Subject: RE: directive

Hi Sarah,
Sorry, I got sidetracked while responding to you earlier. No, we don't have a response yet but Ron is escalating to MO directly. Will keep you posted.
My suggestion is to say it is in the works.
John

From: Sarah Harris
Sent: Friday, September 08, 2017 9:21 AM
To: John Kim <John.Kim@ofina.on.ca>
Subject: directive

Hi John,
I was sick yesterday and Will is sick today. Just touching base to see if there is any news on the directive? I'm going to be contacting Anthony, so if there is any update I can provide to him, that would be helpful.
Thanks,
Sarah

From: John Kim
To: Sarah Harris
Subject: RE: directive
Date: Friday, September 08, 2017 12:58:28 PM

Hi Sarah,
Sorry, I got sidetracked while responding to you earlier. No, we don't have a response yet but Ron is escalating to MO directly. Will keep you posted.
My suggestion is to say it is in the works.
John

From: Sarah Harris
Sent: Friday, September 08, 2017 9:21 AM
To: John Kim
Subject: directive
Hi John,
I was sick yesterday and Will is sick today. Just touching base to see if there is any news on the directive? I'm going to be contacting Anthony, so if there is any update I can provide to him, that would be helpful.
Thanks,
Sarah

From: Opal Kandelas
To: Sarah Harris
Subject: RE: directive
Date: Friday, September 08, 2017 1:15:23 PM

Thanks.

From: Sarah Harris
Sent: Friday, September 08, 2017 12:59 PM
To: Opal Kandelas
Subject: FW: directive

FYI

From: John Kim
Sent: Friday, September 08, 2017 12:58 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: directive

Hi Sarah,

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My suggestion is to say it is in the works.

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Subject: directive

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I was sick yesterday and Will is sick today. Just touching base to see if there is any news on the directive? I'm going to be contacting Anthony, so if there is any update I can provide to him, that would be helpful.

Thanks,

Sarah

From: Lisa Stein
To: William Tan
Cc: Sarah Harris; Jean-Francois Beaupre
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx
Date: Monday, October 30, 2017 11:44:52 AM

Hi Will,
I just discussed your comments regarding the compare, below, with Sarah H. We have decided to wait on these issues until we draft an amended and restated version of the existing credit facility agreement (subject to comments from IESO). There are already negative pledge provisions in the current agreement, and therefore raising new issues at this stage may further delay this matter.
Thank you,
Lisa

From: William Tan
Sent: Monday, October 23, 2017 2:02 PM
To: Lisa Stein
Cc: Sarah Harris ; Jean-Francois Beaupre
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx
Hello Lisa,
I have no comments regarding "Section 7.8 Entire Agreement".
On a separate matter, I was comparing the existing $975 million credit facility Amending Agreement No. 10, against the FHP Credit Facility and noticed Section 3.3 Elections Regarding Advances (6) and (7) was not included in the Amending Agreement update.
Also, FHP Credit Facility- Section 4.6 Negative Pledge has additional language that pertains to "not permit any Material Subsidiary to, create, incur or assume any Lien…". Should we add those changes to the Amending Agreement 10?
Attached is the original
Thanks,
Will

From: Lisa Stein
Sent: Monday, October 23, 2017 10:31 AM
To: John Kim ; William Tan ; Sarah Harris
Cc: Sarah Neville
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx
Hi John,
In general, the purpose is to clarify that the Agreement and its Schedules take precedence over any discussions or undertakings that may have occurred between the parties prior to the execution of the agreement. In other words, the OFA may not agree to amend the agreement, for example, to change the permitted liens or remove the intercept provisions, on the basis of previous discussions or e-mails with the IESO.
The clause, which is generally boiler plate in an agreement, states as follows:
This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreements, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.
Thanks,

Lisa

From: John Kim
Sent: Monday, October 23, 2017 10:23 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi Lisa,

Could you remind me what the purpose of the "entire agreement" clause is?

Thanks,

John

From: Lisa Stein
Sent: Monday, October 23, 2017 10:19 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: fhp credit facility agreement execution version v3 blackline.docx

Hi Will,

Please find attached a revised black-lined version of the FHP credit facility agreement. The only change from the last version is the addition of an "entire agreement" clause in section 7.8, as discussed at our internal meeting last week. Please send this amendment to the IESO (and re-format the accompanying draft clean execution version as necessary).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From: William Tan
To: Lisa Stein
Cc: Sarah Harris; Jean-Francois Beaupre
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx
Date: Monday, October 23, 2017 2:02:27 PM

Hello Lisa,
I have no comments regarding "Section 7.8 Entire Agreement".
On a separate matter, I was comparing the existing $975 million credit facility Amending Agreement No. 10, against the FHP Credit Facility and noticed Section 3.3 Elections Regarding Advances (6) and (7) was not included in the Amending Agreement update.
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Thank you,

Lisa

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416-325-2320

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****

From: Lisa Stein
To: John Kim; William Tan; Sarah Harris
Cc: Sarah Neville
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx
Date: Monday, October 23, 2017 10:30:39 AM

Hi John,

In general, the purpose is to clarify that the Agreement and its Schedules take precedence over any discussions or undertakings that may have occurred between the parties prior to the execution of the agreement. In other words, the OFA may not agree to amend the agreement, for example, to change the permitted liens or remove the intercept provisions, on the basis of previous discussions or e-mails with the IESO.

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To: John Kim; William Tan; Sarah Harris
Cc: Sarah Neville
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx
Date: Monday, October 23, 2017 10:30:39 AM

Hi John,

In general, the purpose is to clarify that the Agreement and its Schedules take precedence over any discussions or undertakings that may have occurred between the parties prior to the execution of the agreement. In other words, the OFA may not agree to amend the agreement, for example, to change the permitted liens or remove the intercept provisions, on the basis of previous discussions or e-mails with the IESO.

The clause, which is generally boiler plate in an agreement, states as follows:

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreements, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Thanks,

Lisa

From: John Kim
Sent: Monday, October 23, 2017 10:23 AM
To: Lisa Stein ; William Tan ; Sarah Harris
Cc: Sarah Neville
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi Lisa,

Could you remind me what the purpose of the “entire agreement” clause is?

Thanks,

John

From: Lisa Stein
Sent: Monday, October 23, 2017 10:19 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: fhp credit facility agreement execution version v3 blackline.docx

Hi Will,

Please find attached a revised black-lined version of the FHP credit facility agreement. The only change from the last version is the addition of an “entire agreement” clause in section 7.8, as discussed at our internal meeting last week. Please send this amendment to the IESO (and re-format the accompanying draft clean execution version as necessary).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From:	John Kim
To:	Lisa Stein; William Tan; Sarah Harris
Cc:	Sarah Neville
Subject:	RE: fhp credit facility agreement execution version v3 blackline.docx
Date:	Monday, October 23, 2017 10:23:15 AM

Hi Lisa,

Could you remind me what the purpose of the "entire agreement" clause is?

Thanks,

John

From: Lisa Stein

Sent: Monday, October 23, 2017 10:19 AM

To: William Tan ; Sarah Harris

Cc: Sarah Neville ; John Kim

Subject: fhp credit facility agreement execution version v3 blackline.docx

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Sent: Monday, October 23, 2017 10:19 AM

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From:	Lisa Stein
To:	William Tan; Sarah Harris
Subject:	RE: fhp credit facility agreement execution version v3 blackline.docx
Date:	Thursday, October 05, 2017 2:23:49 PM

Please send revised version to IESO

From: William Tan
Sent: Thursday, October 05, 2017 2:23 PM
To: Lisa Stein ; Sarah Harris
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi Lisa,

Sarah and I have no comments regarding the "Permitted Liens" changes.

From: Lisa Stein
Sent: Thursday, October 05, 2017 12:28 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Subject: fhp credit facility agreement execution version v3 blackline.docx

Revised black-lined draft with change to "Permitted Liens" definition, as discussed.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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To:	William Tan; Sarah Harris
Subject:	RE: fhp credit facility agreement execution version v3 blackline.docx
Date:	Thursday, October 05, 2017 2:23:49 PM

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From: William Tan
To: Lisa Stein; Sarah Harris
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx
Date: Thursday, October 05, 2017 2:23:26 PM

Hi Lisa,

Sarah and I have no comments regarding the “Permitted Liens” changes.

From: Lisa Stein

Sent: Thursday, October 05, 2017 12:28 PM

To: Sarah Harris ; William Tan

Subject: fhp credit facility agreement execution version v3 blackline.docx

Revised black-lined draft with change to “Permitted Liens” definition, as discussed.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
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****

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Neville; John Kim; Sarah Harris
Subject:	RE: fhp credit facility agreement execution version v3 blackline.docx
Date:	Tuesday, October 24, 2017 2:00:19 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5.pdf FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5.docx FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5(blackline).docx

---

Hello Lisa,

I have made the changes mentioned below. Please find the attached FHP documents.

WT.

From: Lisa Stein
Sent: Tuesday, October 24, 2017 12:10 PM
To: William Tan
Cc: Sarah Neville ; John Kim ; Sarah Harris
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi Will,

As per the mark-up I sent you yesterday, section 7.9 should be moved before 7.8 and named "Entire Agreement". Please revise and send me new versions for review.

Thank you,

Lisa

From: William Tan
Sent: Monday, October 23, 2017 5:08 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hello Lisa,

As per conversation, please find the latest version of the blackline and clean version of the FHP.

Please forward to Victor Buza.

Thanks,

Will

From: Lisa Stein
Sent: Monday, October 23, 2017 10:19 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: fhp credit facility agreement execution version v3 blackline.docx

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Thank you,

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****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief
Investment Officer,
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM
OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief
Investment Officer,
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM
OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan; Sarah Harris
Cc:	Sarah Neville; John Kim
Subject:	RE: fhp credit facility agreement execution version v3 blackline.docx
Date:	Friday, September 29, 2017 11:48:40 AM

You can send it now, with the caveat that the letter agreement needs to be executed first.

From: William Tan
Sent: Wednesday, September 27, 2017 5:27 PM
To: Lisa Stein ; Sarah Harris
Cc: Sarah Neville ; John Kim
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi Lisa,

No comment on the FHP Credit Facility Agreement.

When would it be appropriate to circulate this agreement with IESO?

Thanks,

Will

From: Lisa Stein
Sent: Wednesday, September 27, 2017 4:09 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: fhp credit facility agreement execution version v3 blackline.docx

Hi Sarah and Will,

As per your request, please find attached a revised draft of the credit facility agreement, with amendments re: intercept blacklined.

Please let me know if you have any questions or concerns.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
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From:	William Tan
To:	Lisa Stein; Sarah Harris
Cc:	Sarah Neville; John Kim
Subject:	RE: fhp credit facility agreement execution version v3 blackline.docx
Date:	Wednesday, September 27, 2017 5:27:24 PM

Hi Lisa,

No comment on the FHP Credit Facility Agreement.

When would it be appropriate to circulate this agreement with IESO?

Thanks,

Will

From: Lisa Stein

Sent: Wednesday, September 27, 2017 4:09 PM

To: Sarah Harris ; William Tan

Cc: Sarah Neville ; John Kim

Subject: fhp credit facility agreement execution version v3 blackline.docx

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Please let me know if you have any questions or concerns.

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Lisa

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Legal Counsel
Ontario Financing Authority
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****

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Neville; John Kim; Sarah Harris
Subject:	RE: fhp credit facility agreement execution version v3 blackline.docx
Date:	Tuesday, October 24, 2017 2:00:19 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5.pdf FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5.docx FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5(blackline).docx

---

Hello Lisa,

I have made the changes mentioned below. Please find the attached FHP documents.

WT.

From: Lisa Stein
Sent: Tuesday, October 24, 2017 12:10 PM
To: William Tan
Cc: Sarah Neville ; John Kim ; Sarah Harris
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi Will,

As per the mark-up I sent you yesterday, section 7.9 should be moved before 7.8 and named "Entire Agreement". Please revise and send me new versions for review.

Thank you,

Lisa

From: William Tan
Sent: Monday, October 23, 2017 5:08 PM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hello Lisa,

As per conversation, please find the latest version of the blackline and clean version of the FHP.

Please forward to Victor Buza.

Thanks,

Will

From: Lisa Stein
Sent: Monday, October 23, 2017 10:19 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: fhp credit facility agreement execution version v3 blackline.docx

Hi Will,

Please find attached a revised black-lined version of the FHP credit facility agreement. The only change from the last version is the addition of an "entire agreement" clause in section 7.8, as discussed at our internal meeting last week. Please send this amendment to the IESO (and re-format the accompanying draft clean execution version as necessary).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel

Ontario Financing Authority
416-325-2320
****
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****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief
Investment Officer,
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM
OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Section 7.9 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief
Investment Officer,
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM
OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Section 7.9~~8~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan
Cc:	Sarah Neville; John Kim; Sarah Harris
Subject:	RE: fhp credit facility agreement execution version v3 blackline.docx
Date:	Tuesday, October 24, 2017 12:09:52 PM

Hi Will,

As per the mark-up I sent you yesterday, section 7.9 should be moved before 7.8 and named "Entire Agreement". Please revise and send me new versions for review.

Thank you,

Lisa

From: William Tan
Sent: Monday, October 23, 2017 5:08 PM
To: Lisa Stein
Cc: Sarah Neville ; John Kim ; Sarah Harris
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hello Lisa,

As per conversation, please find the latest version of the blackline and clean version of the FHP. Please forward to Victor Buza.

Thanks,

Will

From: Lisa Stein
Sent: Monday, October 23, 2017 10:19 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: fhp credit facility agreement execution version v3 blackline.docx

Hi Will,

Please find attached a revised black-lined version of the FHP credit facility agreement. The only change from the last version is the addition of an "entire agreement" clause in section 7.8, as discussed at our internal meeting last week. Please send this amendment to the IESO (and re-format the accompanying draft clean execution version as necessary).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
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****

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Neville; John Kim; Sarah Harris
Subject:	RE: fhp credit facility agreement execution version v3 blackline.docx
Date:	Monday, October 23, 2017 5:07:37 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5.pdf FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5.docx FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5(blackline).docx

---

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To: William Tan ; Sarah Harris

Cc: Sarah Neville ; John Kim

Subject: fhp credit facility agreement execution version v3 blackline.docx

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****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

Section 7.9 Counterparts.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief
Investment Officer,
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM
OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

Section 7.9 Counterparts.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief
Investment Officer,
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM
OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO’s role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"**Person**" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"**Purchase Money Mortgage**" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"**Repayment Date**" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"**Stated Maturity**" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

Section 7.9 Counterparts.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

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IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Neville; John Kim; Sarah Harris
Subject:	RE: fhp credit facility agreement execution version v3 blackline.docx
Date:	Monday, October 23, 2017 5:07:37 PM
Attachments:	FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5.pdf FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5.docx FHP Revolving Credit Facility Agreement 2017-2022 Execution Version v5(blackline).docx

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Hello Lisa,

As per conversation, please find the latest version of the blackline and clean version of the FHP.

Please forward to Victor Buza.

Thanks,

Will

From: Lisa Stein

Sent: Monday, October 23, 2017 10:19 AM

To: William Tan ; Sarah Harris

Cc: Sarah Neville ; John Kim

Subject: fhp credit facility agreement execution version v3 blackline.docx

Hi Will,

Please find attached a revised black-lined version of the FHP credit facility agreement. The only change from the last version is the addition of an "entire agreement" clause in section 7.8, as discussed at our internal meeting last week. Please send this amendment to the IESO (and re-format the accompanying draft clean execution version as necessary).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

Section 7.9 Counterparts.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief
Investment Officer,
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM
OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

Section 7.9 Counterparts.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief
Investment Officer,
Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM
OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services;
Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:

i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : **Independent Electricity System Operator**
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: October ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of October 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO’s role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.

"**Person**" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"**Purchase Money Mortgage**" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"**Repayment Date**" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"**Stated Maturity**" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

Section 7.9 Counterparts.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreement, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

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IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated October (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated October (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris; Jean-Francois Beaupre
Subject:	RE: fhp credit facility agreement execution version v3 blackline.docx
Date:	Monday, October 23, 2017 2:03:14 PM
Attachments:	OFA-OPA Original Credit Agreement.doc OFA-OPA Original Credit Agreement.pdf

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From: William Tan
Sent: Monday, October 23, 2017 2:02 PM
To: Lisa Stein
Cc: Sarah Harris ; Jean-Francois Beaupre
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hello Lisa,

I have no comments regarding "Section 7.8 Entire Agreement".

On a separate matter, I was comparing the existing $975 million credit facility Amending Agreement No. 10, against the FHP Credit Facility and noticed Section 3.3 Elections Regarding Advances (6) and (7) was not included in the Amending Agreement update.

Also, FHP Credit Facility- Section 4.6 Negative Pledge has additional language that pertains to "not permit any Material Subsidiary to, create, incur or assume any Lien…". Should we add those changes to the Amending Agreement 10?

Attached is the original

Thanks,

Will

From: Lisa Stein
Sent: Monday, October 23, 2017 10:31 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi John,

In general, the purpose is to clarify that the Agreement and its Schedules take precedence over any discussions or undertakings that may have occurred between the parties prior to the execution of the agreement. In other words, the OFA may not agree to amend the agreement, for example, to change the permitted liens or remove the intercept provisions, on the basis of previous discussions or e-mails with the IESO.

The clause, which is generally boiler plate in an agreement, states as follows:

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreements, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Thanks,

Lisa

From: John Kim
Sent: Monday, October 23, 2017 10:23 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi Lisa,

Could you remind me what the purpose of the "entire agreement" clause is?

Thanks,

John

From: Lisa Stein
Sent: Monday, October 23, 2017 10:19 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: fhp credit facility agreement execution version v3 blackline.docx

Hi Will,

Please find attached a revised black-lined version of the FHP credit facility agreement. The only change from the last version is the addition of an "entire agreement" clause in section 7.8, as discussed at our internal meeting last week. Please send this amendment to the IESO (and re-format the accompanying draft clean execution version as necessary).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

ONTARIO POWER AUTHORITY

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

CREDIT AGREEMENT

THIS AGREEMENT is made as of the 1st day of January 2005, between:

A. **ONTARIO POWER AUTHORITY a corporation established under the *Electricity Act, 1998*** (the **"OPA")**

B. **ONTARIO FINANCING AUTHORITY a Crown agency established under the *Capital Investment Plan Act, 1993*** (the **"OFA").**

RECITAL:

The OPA has requested an operating line of credit from the OFA in the amount of $500 million and the OFA has agreed to provide such a line of credit to the OPA.

NOW THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the paiiies agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the OPA under Article 3 and **"Advance"** means any one of such advances.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; an the expression **"Article"** or **"Section"** followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2.

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"Dollars" or"$" means lawful currency of Canada.

"Commitment" means, at any time, an amount equal to $500 million.

"Consolidated Assets" means, at any time, the book value of the assets of the OPA, determined as of such time on a consolidated basis in accordance with generally accepted accounting principles.

"default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person forborrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person; and

(f) every obligation of the type referred to in paragraphs (a) through (e) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Operating Facility" means the revolving credit facility to be made available to the OPA by the OFA under this Agreement for the purposes specified in Section 2.3.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of OPA to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the OPA under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which the are held by the OPA;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the OPA that have not at the time been filed against the OPA; provided, however, that if any such Lien or charge shall have been filed, the OPA shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the OPA in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the OPA will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the OPA;

(i) any Liens and privileges arising out of judgments or awards with respect to which the OPA shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review; and

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the OPA, acting reasonably, material impair the use of the property subject thereto or the operation of the business of the OPA or the value of such property for the purpose of any such business.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation oflaw to secure, the whole or par of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

Section 1.2 Effect of Headings and Table of Contents.

The division of this Agreement into Articles and Sections the insertion of headings and the provision of a Table of Contents are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words **"including"** and **"includes"** mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with generally accepted accounting principles. Generally ac.cepted accounting principles refer to accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants at the relevant time applied on a consistent basis.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2

OPERATING FACILITY

Section 2.1 Availability

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the OPA. The OFA shall make each Advance in Canadian Dollars.

Section 2.2 Commitment and Facility Limits.

The Advances Outstanding to the OPA under the Operating Facility shall not at any time exceed the Commitment. The Operating Facility shall revolve and no payment under the Operating Facility shall reduce the Commitment.

Section 2.3 Use of Proceeds.

The OPA shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 423/04 made under the *Electricity Act, 1998.*

Section 2.4 Mandatory Repayment.

Subject to Sections 2.9 and 5.1, the OPA shall repay each Advance on the applicable Repayment Date and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on December 31, 2006.

Section 2.5 Prepayments.

The OPA is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.7 Payments under this Agreement.

(1) The OPA shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the OPA from time to time, or in such other manner as the OFA may specify to the OPA from time to time. The OPA shall make each such payment in Canadian Dollars.

(2) The OFA shall make Advances to the OPA under this Agreement to or to the order of the OPA by wire transfer of immediately available funds in accordance with wire transfer instructions given by the OPA to the OFA from time to time, or in such other manner as the OPA may specify to the OFA from time to time.

Section 2.8 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.9 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the OPA shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.9(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together will all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

ARTICLE3

ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the OPA under the Operating Facility from time to time on any Business Day prior to November 30, 2006.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(3), each Advance shall be made on one Business Day's prior notice given not later than 10:00 a.m. (Toronto time) by the OPA to the OFA. Each notice of an Advance (a **"Borrowing Notice")** shall be substantially in the form of Schedule 1, shall be irrevocable and binding on the OPA and shall specify (a) the requested date of the Advance, and (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be not later than 1 month, 2 months or 3 months after the requested date of the Advance. The OFA will make the principal amount of each Advance available to the OPA in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the OPA shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The OPA authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (b) the applicable rate of interest for each Advance; (c) the Repayment Date of each Advance; (d) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be prima facie evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the OPA to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(I) The OPA may elect to continue all or a portion of the principal amount of any Advance for a further period of I month, 2 months or 3 months beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each election to continue an Advance for a further period shall be made one Business Day's prior notice given, in each case, not later than 10:00 a.m. (Toronto time) by the OPA to the OFA. Each such notice (an **"Election Notice")** shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the OPA. If the OPA fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

Section 3.4 Interest on Advances.

(1) The OPA shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the OPA elects to continue an Advance in accordance with Section 3.3(2), the Province shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the OPA promissory note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the OPA contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the OPA; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the OPA is in compliance with the tenns and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the OPA confirming that the borrowing is within the legal powers of the OPA and that the Agreement is a direct, unsecured obligation of the OPA enforceable against the OPA in form satisfactory to the OFA.

ARTICLE4

COVENANTS OF THE OPA

Section 4.1 Payment of Advances.

The OPA will duly and punctually pay or cause to be paid all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 OPA will Maintain its Corporate Existence.

The OPA will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The OPA will cause all property owned by the OPA to be maintained and kept in good condition, repair an working order, all as in the judgment of the OPA may be necessary for the proper operation of such property, except as and to the extent that the OPA may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the OPA from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the OPA, desirable in the conduct of its business.

Section 4.4 Insurance.

The OPA will cause all property owned by the OPA which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The OPA will carry on and conduct their respective businesses in a proper, efficient and business-like manner and in accordance with good business practice.

Section 4.6 Negative Pledge.

The OPA will not create, incur or assume any Lien, charging the interest of the OPA in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future indebtedness of the OPA to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the OPA in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

The OPA will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Services (including those incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the OPA to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the OPA reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the OPA for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

ARTICLE 5

EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term **"Event of Default"** means any of the following:

(a) failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on December 31, 2006;

(c) failure on the part of the OPA to observe or perform its obligations set forth in Section 4.1;

(e) failure on the part of the OPA to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the OPA by OFA;

(f) any representation or warranty made by the OPA in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(g) one or more breaches by the OPA of its covenants under one or more evidences of indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waive or rescinded);

(h) the OPA:

(i) becomes generally not able to pay its debts as they become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme *of* arrangement involving the rescheduling or composition *of* its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it a bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy/ insolvency/ reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismisssed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar

official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l(h)(i) to (iii); or

(i) if there shall be rendered against the OPA a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the OPA shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may declare all amounts owing hereunder to be due and payable immediately, by a notice in writing to the OPA, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement orby law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the OPA under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the OPA, or if any other judicial proceedings relative to the OPA, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing und this Agreement and to file such other papers or documents as ma be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF OPA

Section 6.1 Representations and Warranties of OPA

The OPA represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the OPA and the execution, delivery and performance of this Agreement are within the powers and capacities of the OPA and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the OPA, laws of Ontario, including laws of Canada applicable therein, applicable to the OPA or any contractual or other obligation binding on the OPA;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the OPA enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the OPA for the purposes set out in Section 2.3.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE?

GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the OPA, to it at:

Ontario Power Authority
880 Bay Street
3rd Floor
Toronto, ON M7A 2C

Attention: Chief Executive Officer
Telephone:
Telecopier:

Ifto OFA, to it at:

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto, Ontario
M7AIY7

Attention: Executive Director -Capital Markets Division
Telephone: (416) 325-8128
Telecopier: (416) 325-8005

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p. m (Toronto time), otherwise on the next Business Day, (b) transmitted by telecopier other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the OPA and their respective successors and permitted assigns, except that the OPA shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the OFA and the OPA.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing y the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude an other or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the OPA and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement.

Section 7.6 Severability.

In case any provision in this Agreement shall be in valid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement as of the 1st day of January, 2005.

ONTARIO POWER AUTHORITY

by: _____
Name: Rosalyn awrence
Authorized Signing Officer

and: _____
Name:
Authorized Signing Officer

ONTARIO FINANCING HORITY

by: _____
Name: GadiMayman
Title: Chief Executive Officer

SCHEDULE 1

FORM OF BORROWING NOTICE

Via Telecopier: (416)

Ontario Financing Authority **("OFA")**
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A1Y7

Attention: Cash Management

Dear Sirs:

The undersigned, Ontario Power Authority, refer to the credit agreement dated [Insert] (as amended, supplemented or restated from time to time, the **"Agreement",** the terms defined therein being used herein as therein defined) between the OPA and the OFA, and gives you notice pursuant to Section 3.2 of the Agreement that the OPA requests an Advance under the Agreement, and, in that connection, sets forth below the information relating such Advance (the **"Proposed Advance")** as required by Section 3.2 of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is_____
(b) The aggregate amount of the Proposed Advance is____ _
(c) The Repayment Date of the Proposed Advance is_____; [not more than 3 months after the date of the Proposed Advance]

Yours truly,

ONTARIO POWER AUTHORITY

Per: _ _ _ _ _ _ _ _ _ _
Rosalyn Lawrence
Authorized Signatory

Per: _ _ _ _ _ _ _ _ _ _
Rick Jennings
Authorized Signatory

*To be confirmed by telephone call to OFA Cash Management (416) 325-8108.

SCHEDULE2

FORM OF ELECTION NOTICE

Via Telecopier: (416)

Ontario Financing Authority **("OFA")**
1 Dundas Street West
Suite 1400
Toronto, Ontario
M7A 1Y7

Attention: Cash Management

Dear Sirs:

The undersigned, Ontario Power Authority, refer to the credit agreement dated [Insert] (as amended, supplemented or restated from time to time, the **"Agreement",** the terms defined therein being used herein as therein defined) between the OPA and OFA, and gives you notice pursuant to Section 3.3 of the Agreement that the OPA elects to continue all or a portion of an Advance for an additional term and, in that connection, sets forth below the information relating to the election as required by Section 3.3(3) of the Agreement:

(a) The outstanding principal amount of such Advance to be continued is $____ _

(b) The new Repayment Date applicable to such Advance is _____; [not more than 3 months after the current Repayment Date for the Advance.

Yours truly,

ONTARIO POWER AUTHORITY

Per: _ _ _ _ _ _ _ _ _ _
Rosalyn Lawrence
Authorized Signatory

Per: _ _ _ _ _ _ _ _ _ _
Rick Jennings
Authorized Signatory

*To be confirmed by telephone call to OFA Cash Management (416) 325-8108

SCHEDULE3

ONTARIO POWER AUTHORITY

GRID NOTE

Principal Amount: Up to $500,000,000 Date: _____

FOR VALUE RECEIVED, ONTARIO POWER AUTHORITY (the **"OPA"),** incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the OPA, all as recorded by the OFA on the grid (the **"Grid")** attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the OPA to record on the Grid (a) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (b) the applicable rate of interest for each Advance; (c) the repayment date of each Advance; (d) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (e) the outstanding principal balance. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated as of [Insert) between the Borrower and the OFA (the **"Credit Agreement").** All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement. This Note is not transferable or negotiable without the prior written consent of the OPA. The OPA hereby waives presentment for payment, demand, protest, notice of dishonour and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the OPA has executed this Note.

ONTARIO POWER AUTHORITY

Per: -1,'L::' ;aw,u L;,.. .....
Rosalyn Lawrence
Authorized Signatory

Per: _ _ _ _ _ _ _ _ _
Rick Jennings
Authorized Signatory

DATE	PRINCIPAL ADVMTCED	RATE	REPAYME:NT DATE AND PRINCIPAL REPAID	INTEREST.. PAYMENT DATE AND AMOUNT	UNPAID PRINCIPAL . BALANCE	NOTATION MADE BY

ONTARIO POWER AUTHORITY

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

CREDIT AGREEMENT

THIS AGREEMENT is made as of the 1st day of January 2005, between:

A. **ONTARIO POWER AUTHORITY a corporation established under the *Electricity Act, 1998*** (the "**OPA**")

B. **ONTARIO FINANCING AUTHORITY a Crown agency established under the *Capital Investment Plan Act, 1993*** (the "**OFA**").

RECITAL:

The OPA has requested an operating line of credit from the OFA in the amount of $500 million and the OFA has agreed to provide such a line of credit to the OPA.

NOW THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the OPA under Article 3 and **"Advance"** means any one of such advances.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereof", "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; an the expression **"Article"** or **"Section"** followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2.

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"Dollars" or "$" means lawful currency of Canada.

"Commitment" means, at any time, an amount equal to $500 million.

"Consolidated Assets" means, at any time, the book value of the assets of the OPA, determined as of such time on a consolidated basis in accordance with generally accepted accounting principles.

"default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person; and

(f) every obligation of the type referred to in paragraphs (a) through (e) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Operating Facility" means the revolving credit facility to be made available to the OPA by the OFA under this Agreement for the purposes specified in Section 2.3.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of OPA to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the OPA under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which the are held by the OPA;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the OPA that have not at the time been filed against the OPA; provided, however, that if any such Lien or charge shall have been filed, the OPA shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the OPA in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the OPA will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the OPA;

(i) any Liens and privileges arising out of judgments or awards with respect to which the OPA shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review; and

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the OPA, acting reasonably, material impair the use of the property subject thereto or the operation of the business of the OPA or the value of such property for the purpose of any such business.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or par of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

Section 1.2 Effect of Headings and Table of Contents.

The division of this Agreement into Articles and Sections the insertion of headings and the provision of a Table of Contents are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words **"including"** and **"includes"** mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with generally accepted accounting principles. Generally accepted accounting principles refer to accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants at the relevant time applied on a consistent basis.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2

OPERATING FACILITY

Section 2.1 Availability

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the OPA. The OFA shall make each Advance in Canadian Dollars.

Section 2.2 Commitment and Facility Limits.

The Advances Outstanding to the OPA under the Operating Facility shall not at any time exceed the Commitment. The Operating Facility shall revolve and no payment under the Operating Facility shall reduce the Commitment.

Section 2.3 Use of Proceeds.

The OPA shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 423/04 made under the *Electricity Act, 1998.*

Section 2.4 Mandatory Repayment.

Subject to Sections 2.9 and 5.1, the OPA shall repay each Advance on the applicable Repayment Date and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on December 31, 2006.

Section 2.5 Prepayments.

The OPA is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.7 Payments under this Agreement.

(1) The OPA shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the OPA from time to time, or in such other manner as the OFA may specify to the OPA from time to time. The OPA shall make each such payment in Canadian Dollars.

(2) The OFA shall make Advances to the OPA under this Agreement to or to the order of the OPA by wire transfer of immediately available funds in accordance with wire transfer instructions given by the OPA to the OFA from time to time, or in such other manner as the OPA may specify to the OFA from time to time.

Section 2.8 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.9 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the OPA shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.9(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together will all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

ARTICLE 3

ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the OPA under the Operating Facility from time to time on any Business Day prior to November 30, 2006.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(3), each Advance shall be made on one Business Day's prior notice given not later than 10:00 a.m. (Toronto time) by the OPA to the OFA. Each notice of an Advance (a **"Borrowing Notice"**) shall be substantially in the form of Schedule 1, shall be irrevocable and binding on the OPA and shall specify (a) the requested date of the Advance, and (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be not later than 1 month, 2 months or 3 months after the requested date of the Advance. The OFA will make the principal amount of each Advance available to the OPA in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the OPA shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The OPA authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (b) the applicable rate of interest for each Advance; (c) the Repayment Date of each Advance; (d) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be prima facie evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the OPA to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The OPA may elect to continue all or a portion of the principal amount of any Advance for a further period of 1 month, 2 months or 3 months beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each election to continue an Advance for a further period shall be made one Business Day's prior notice given, in each case, not later than 10:00 a.m. (Toronto time) by the OPA to the OFA. Each such notice (an **"Election Notice"**) shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the OPA. If the OPA fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

Section 3.4 Interest on Advances.

(1) The OPA shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the OPA elects to continue an Advance in accordance with Section 3.3(2), the Province shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the OPA promissory note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the OPA contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the OPA; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the OPA is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the OPA confirming that the borrowing is within the legal powers of the OPA and that the Agreement is a direct, unsecured obligation of the OPA enforceable against the OPA in form satisfactory to the OFA.

ARTICLE 4

COVENANTS OF THE OPA

Section 4.1 Payment of Advances.

The OPA will duly and punctually pay or cause to be paid all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 OPA will Maintain its Corporate Existence.

The OPA will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The OPA will cause all property owned by the OPA to be maintained and kept in good condition, repair an working order, all as in the judgment of the OPA may be necessary for the proper operation of such property, except as and to the extent that the OPA may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the OPA from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the OPA , desirable in the conduct of its business.

Section 4.4 Insurance.

The OPA will cause all property owned by the OPA which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The OPA will carry on and conduct their respective businesses in a proper, efficient and business-like manner and in accordance with good business practice.

Section 4.6 Negative Pledge.

The OPA will not create, incur or assume any Lien, charging the interest of the OPA in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future indebtedness of the OPA to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the OPA in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

The OPA will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Services (including those incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the OPA to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the OPA reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the OPA for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

ARTICLE 5

EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term **"Event of Default"** means any of the following:

(a) failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on December 31, 2006;

(c) failure on the part of the OPA to observe or perform its obligations set forth in Section 4.1;

(e) failure on the part of the OPA to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the OPA by OFA;

(f) any representation or warranty made by the OPA in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(g) one or more breaches by the OPA of its covenants under one or more evidences of indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waive or rescinded);

(h) the OPA:

(i) becomes generally not able to pay its debts as they become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme *of* arrangement involving the rescheduling or composition *of* its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it a bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy / insolvency / reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismisssed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar

official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.1(h)(i) to (iii); or

(i) if there shall be rendered against the OPA a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the OPA shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may declare all amounts owing hereunder to be due and payable immediately, by a notice in writing to the OPA, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the OPA under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the OPA, or if any other judicial proceedings relative to the OPA, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing und this Agreement and to file such other papers or documents as ma be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF OPA

Section 6.1 Representations and Warranties of OPA

The OPA represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the OPA and the execution, delivery and performance of this Agreement are within the powers and capacities of the OPA and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the OPA, laws of Ontario, including laws of Canada applicable therein, applicable to the OPA or any contractual or other obligation binding on the OPA;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the OPA enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the OPA for the purposes set out in Section 2.3.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7

GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the OPA, to it at:

Ontario Power Authority
880 Bay Street
3rd Floor
Toronto, ON M7A 2C

Attention: Chief Executive Officer
Telephone:
Telecopier:

If to OFA, to it at:

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto, Ontario
M7AIY7

Attention: Executive Director -Capital Markets Division
Telephone: (416) 325-8128
Telecopier: (416) 325-8005

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p. m (Toronto time), otherwise on the next Business Day, (b) transmitted by telecopier other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the OPA and their respective successors and permitted assigns, except that the OPA shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the OFA and the OPA.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing y the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude an other or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the OPA and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement.

Section 7.6 Severability.

In case any provision in this Agreement shall be in valid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement as of the 1st day of January, 2005.

ONTARIO POWER AUTHORITY

by: _____
Name: Rosalyn Lawrence
Authorized Signing Officer

and: _____
Name: Rick Jennings
Authorized Signing Officer

ONTARIO FINANCING AUTHORITY

by: _____

Name: Gadi Mayman
Title: Chief Executive Officer

SCHEDULE 1
FORM OF BORROWING NOTICE

Via Telecopier: (416)

Ontario Financing Authority **("OFA")**
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A1Y7

Attention: Cash Management

Dear Sirs:

The undersigned, Ontario Power Authority, refer to the credit agreement dated [Insert] (as amended, supplemented or restated from time to time, the **"Agreement"**, the terms defined therein being used herein as therein defined) between the OPA and the OFA, and gives you notice pursuant to Section 3.2 of the Agreement that the OPA requests an Advance under the Agreement, and, in that connection, sets forth below the information relating such Advance (the **"Proposed Advance"**) as required by Section 3.2 of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The aggregate amount of the Proposed Advance is _____;
(c) The Repayment Date of the Proposed Advance is _____; [not more than 3 months after the date of the Proposed Advance]

Yours truly,

ONTARIO POWER AUTHORITY

Per: _____
Rosalyn Lawrence
Authorized Signatory

Per: _____
Rick Jennings
Authorized Signatory

*To be confirmed by telephone call to OFA Cash Management (416) 325-8108.

SCHEDULE 2

FORM OF ELECTION NOTICE

Via Telecopier: (416)

Ontario Financing Authority ("**OFA**")
1 Dundas Street West
Suite 1400
Toronto, Ontario
M7A 1Y7

Attention: Cash Management

Dear Sirs:

The undersigned, Ontario Power Authority, refer to the credit agreement dated [Insert] (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined) between the OPA and OFA, and gives you notice pursuant to Section 3.3 of the Agreement that the OPA elects to continue all or a portion of an Advance for an additional term and, in that connection, sets forth below the information relating to the election as required by Section 3.3(3) of the Agreement:

(a) The outstanding principal amount of such Advance to be continued is $_____;

(b) The new Repayment Date applicable to such Advance is _____; [not more than 3 months after the current Repayment Date for the Advance.

Yours truly,

ONTARIO POWER AUTHORITY

Per: _____
Rosalyn Lawrence
Authorized Signatory

Per: _____
Rick Jennings
Authorized Signatory

*To be confirmed by telephone call to OFA Cash Management (416) 325-8108

SCHEDULE 3

ONTARIO POWER AUTHORITY

GRID NOTE

Principal Amount: Up to $500,000,000 Date: _____

FOR VALUE RECEIVED, ONTARIO POWER AUTHORITY (the **"OPA"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the OPA, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the OPA to record on the Grid (a) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (b) the applicable rate of interest for each Advance; (c) the repayment date of each Advance; (d) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (e) the outstanding principal balance. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated as of [Insert] between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement. This Note is not transferable or negotiable without the prior written consent of the OPA. The OPA hereby waives presentment for payment, demand, protest, notice of dishonour and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the OPA has executed this Note.

ONTARIO POWER AUTHORITY

Per: _____
Rosalyn Lawrence
Authorized Signatory

Per: _____
Rick Jennings
Authorized Signatory

DATE	PRINCIPAL ADVANCED	RATE	REPAYMENT DATE AND PRINCIPAL REPAID	INTEREST PAYMENT DATE AND AMOUNT	UNPAID PRINCIPAL BALANCE	NOTATION MADE BY

From:	William Tan
To:	Lisa Stein
Cc:	Sarah Harris; Jean-Francois Beaupre
Subject:	RE: fhp credit facility agreement execution version v3 blackline.docx
Date:	Monday, October 23, 2017 2:03:14 PM
Attachments:	OFA-OPA Original Credit Agreement.doc OFA-OPA Original Credit Agreement.pdf

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From: William Tan
Sent: Monday, October 23, 2017 2:02 PM
To: Lisa Stein
Cc: Sarah Harris ; Jean-Francois Beaupre
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hello Lisa,

I have no comments regarding "Section 7.8 Entire Agreement".

On a separate matter, I was comparing the existing $975 million credit facility Amending Agreement No. 10, against the FHP Credit Facility and noticed Section 3.3 Elections Regarding Advances (6) and (7) was not included in the Amending Agreement update.

Also, FHP Credit Facility- Section 4.6 Negative Pledge has additional language that pertains to "not permit any Material Subsidiary to, create, incur or assume any Lien…". Should we add those changes to the Amending Agreement 10?

Attached is the original

Thanks,

Will

From: Lisa Stein
Sent: Monday, October 23, 2017 10:31 AM
To: John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi John,

In general, the purpose is to clarify that the Agreement and its Schedules take precedence over any discussions or undertakings that may have occurred between the parties prior to the execution of the agreement. In other words, the OFA may not agree to amend the agreement, for example, to change the permitted liens or remove the intercept provisions, on the basis of previous discussions or e-mails with the IESO.

The clause, which is generally boiler plate in an agreement, states as follows:

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreements, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

Thanks,

Lisa

From: John Kim
Sent: Monday, October 23, 2017 10:23 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>

Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi Lisa,

Could you remind me what the purpose of the "entire agreement" clause is?

Thanks,

John

From: Lisa Stein
Sent: Monday, October 23, 2017 10:19 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: fhp credit facility agreement execution version v3 blackline.docx

Hi Will,

Please find attached a revised black-lined version of the FHP credit facility agreement. The only change from the last version is the addition of an "entire agreement" clause in section 7.8, as discussed at our internal meeting last week. Please send this amendment to the IESO (and re-format the accompanying draft clean execution version as necessary).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

ONTARIO POWER AUTHORITY

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

CREDIT AGREEMENT

THIS AGREEMENT is made as of the 1st day of January 2005, between:

A. **ONTARIO POWER AUTHORITY a corporation established under the *Electricity Act, 1998*** (the **"OPA")**

B. **ONTARIO FINANCING AUTHORITY a Crown agency established under the *Capital Investment Plan Act, 1993*** (the **"OFA").**

RECITAL:

The OPA has requested an operating line of credit from the OFA in the amount of $500 million and the OFA has agreed to provide such a line of credit to the OPA.

NOW THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the paiiies agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the OPA under Article 3 and **"Advance"** means any one of such advances.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; an the expression **"Article"** or **"Section"** followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2.

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"Dollars" or"$" means lawful currency of Canada.

"Commitment" means, at any time, an amount equal to $500 million.

"Consolidated Assets" means, at any time, the book value of the assets of the OPA, determined as of such time on a consolidated basis in accordance with generally accepted accounting principles.

"default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person forborrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person; and

(f) every obligation of the type referred to in paragraphs (a) through (e) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Operating Facility" means the revolving credit facility to be made available to the OPA by the OFA under this Agreement for the purposes specified in Section 2.3.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of OPA to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the OPA under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which the are held by the OPA;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the OPA that have not at the time been filed against the OPA; provided, however, that if any such Lien or charge shall have been filed, the OPA shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the OPA in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the OPA will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the OPA;

(i) any Liens and privileges arising out of judgments or awards with respect to which the OPA shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review; and

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the OPA, acting reasonably, material impair the use of the property subject thereto or the operation of the business of the OPA or the value of such property for the purpose of any such business.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation oflaw to secure, the whole or par of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

Section 1.2 Effect of Headings and Table of Contents.

The division of this Agreement into Articles and Sections the insertion of headings and the provision of a Table of Contents are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words **"including"** and **"includes"** mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with generally accepted accounting principles. Generally ac.cepted accounting principles refer to accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants at the relevant time applied on a consistent basis.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2

OPERATING FACILITY

Section 2.1 Availability

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the OPA. The OFA shall make each Advance in Canadian Dollars.

Section 2.2 Commitment and Facility Limits.

The Advances Outstanding to the OPA under the Operating Facility shall not at any time exceed the Commitment. The Operating Facility shall revolve and no payment under the Operating Facility shall reduce the Commitment.

Section 2.3 Use of Proceeds.

The OPA shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 423/04 made under the *Electricity Act, 1998.*

Section 2.4 Mandatory Repayment.

Subject to Sections 2.9 and 5.1, the OPA shall repay each Advance on the applicable Repayment Date and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on December 31, 2006.

Section 2.5 Prepayments.

The OPA is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.7 Payments under this Agreement.

(1) The OPA shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the OPA from time to time, or in such other manner as the OFA may specify to the OPA from time to time. The OPA shall make each such payment in Canadian Dollars.

(2) The OFA shall make Advances to the OPA under this Agreement to or to the order of the OPA by wire transfer of immediately available funds in accordance with wire transfer instructions given by the OPA to the OFA from time to time, or in such other manner as the OPA may specify to the OFA from time to time.

Section 2.8 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.9 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the OPA shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.9(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together will all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

ARTICLE3

ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the OPA under the Operating Facility from time to time on any Business Day prior to November 30, 2006.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(3), each Advance shall be made on one Business Day's prior notice given not later than 10:00 a.m. (Toronto time) by the OPA to the OFA. Each notice of an Advance (a **"Borrowing Notice")** shall be substantially in the form of Schedule 1, shall be irrevocable and binding on the OPA and shall specify (a) the requested date of the Advance, and (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be not later than 1 month, 2 months or 3 months after the requested date of the Advance. The OFA will make the principal amount of each Advance available to the OPA in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the OPA shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The OPA authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (b) the applicable rate of interest for each Advance; (c) the Repayment Date of each Advance; (d) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be prima facie evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the OPA to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(I) The OPA may elect to continue all or a portion of the principal amount of any Advance for a further period of I month, 2 months or 3 months beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each election to continue an Advance for a further period shall be made one Business Day's prior notice given, in each case, not later than 10:00 a.m. (Toronto time) by the OPA to the OFA. Each such notice (an **"Election Notice")** shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the OPA. If the OPA fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

Section 3.4 Interest on Advances.

(1) The OPA shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the OPA elects to continue an Advance in accordance with Section 3.3(2), the Province shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the OPA promissory note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the OPA contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the OPA; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the OPA is in compliance with the tenns and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the OPA confirming that the borrowing is within the legal powers of the OPA and that the Agreement is a direct, unsecured obligation of the OPA enforceable against the OPA in form satisfactory to the OFA.

ARTICLE4

COVENANTS OF THE OPA

Section 4.1 Payment of Advances.

The OPA will duly and punctually pay or cause to be paid all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 OPA will Maintain its Corporate Existence.

The OPA will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The OPA will cause all property owned by the OPA to be maintained and kept in good condition, repair an working order, all as in the judgment of the OPA may be necessary for the proper operation of such property, except as and to the extent that the OPA may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the OPA from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the OPA, desirable in the conduct of its business.

Section 4.4 Insurance.

The OPA will cause all property owned by the OPA which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The OPA will carry on and conduct their respective businesses in a proper, efficient and business-like manner and in accordance with good business practice.

Section 4.6 Negative Pledge.

The OPA will not create, incur or assume any Lien, charging the interest of the OPA in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future indebtedness of the OPA to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the OPA in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

The OPA will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Services (including those incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the OPA to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the OPA reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the OPA for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

ARTICLE 5

EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term **"Event of Default"** means any of the following:

(a) failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on December 31, 2006;

(c) failure on the part of the OPA to observe or perform its obligations set forth in Section 4.1;

(e) failure on the part of the OPA to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the OPA by OFA;

(f) any representation or warranty made by the OPA in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(g) one or more breaches by the OPA of its covenants under one or more evidences of indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waive or rescinded);

(h) the OPA:

(i) becomes generally not able to pay its debts as they become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme *of* arrangement involving the rescheduling or composition *of* its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it a bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy/ insolvency/ reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismisssed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar

official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l(h)(i) to (iii); or

(i) if there shall be rendered against the OPA a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the OPA shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may declare all amounts owing hereunder to be due and payable immediately, by a notice in writing to the OPA, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement orby law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the OPA under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the OPA, or if any other judicial proceedings relative to the OPA, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing und this Agreement and to file such other papers or documents as ma be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF OPA

Section 6.1 Representations and Warranties of OPA

The OPA represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the OPA and the execution, delivery and performance of this Agreement are within the powers and capacities of the OPA and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the OPA, laws of Ontario, including laws of Canada applicable therein, applicable to the OPA or any contractual or other obligation binding on the OPA;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the OPA enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the OPA for the purposes set out in Section 2.3.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE?

GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the OPA, to it at:

Ontario Power Authority
880 Bay Street
3rd Floor
Toronto, ON M7A 2C

Attention: Chief Executive Officer
Telephone:
Telecopier:

Ifto OFA, to it at:

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto, Ontario
M7AIY7

Attention: Executive Director -Capital Markets Division
Telephone: (416) 325-8128
Telecopier: (416) 325-8005

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p. m (Toronto time), otherwise on the next Business Day, (b) transmitted by telecopier other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the OPA and their respective successors and permitted assigns, except that the OPA shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the OFA and the OPA.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing y the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude an other or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the OPA and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement.

Section 7.6 Severability.

In case any provision in this Agreement shall be in valid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement as of the 1st day of January, 2005.

ONTARIO POWER AUTHORITY

by: _____
Name: Rosalyn awrence
Authorized Signing Officer

and: _____
Name:
Authorized Signing Officer

ONTARIO FINANCING HORITY

by: _____
Name: GadiMayman
Title: Chief Executive Officer

SCHEDULE 1

FORM OF BORROWING NOTICE

Via Telecopier: (416)

Ontario Financing Authority **("OFA")**
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A1Y7

Attention: Cash Management

Dear Sirs:

The undersigned, Ontario Power Authority, refer to the credit agreement dated [Insert] (as amended, supplemented or restated from time to time, the **"Agreement",** the terms defined therein being used herein as therein defined) between the OPA and the OFA, and gives you notice pursuant to Section 3.2 of the Agreement that the OPA requests an Advance under the Agreement, and, in that connection, sets forth below the information relating such Advance (the **"Proposed Advance")** as required by Section 3.2 of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is_____
(b) The aggregate amount of the Proposed Advance is____ _
(c) The Repayment Date of the Proposed Advance is_____; [not more than 3 months after the date of the Proposed Advance]

Yours truly,

ONTARIO POWER AUTHORITY

Per: _ _ _ _ _ _ _ _ _ _
Rosalyn Lawrence
Authorized Signatory

Per: _ _ _ _ _ _ _ _ _ _
Rick Jennings
Authorized Signatory

*To be confirmed by telephone call to OFA Cash Management (416) 325-8108.

SCHEDULE2

FORM OF ELECTION NOTICE

Via Telecopier: (416)

Ontario Financing Authority **("OFA")**
1 Dundas Street West
Suite 1400
Toronto, Ontario
M7A 1Y7

Attention: Cash Management

Dear Sirs:

The undersigned, Ontario Power Authority, refer to the credit agreement dated [Insert] (as amended, supplemented or restated from time to time, the **"Agreement",** the terms defined therein being used herein as therein defined) between the OPA and OFA, and gives you notice pursuant to Section 3.3 of the Agreement that the OPA elects to continue all or a portion of an Advance for an additional term and, in that connection, sets forth below the information relating to the election as required by Section 3.3(3) of the Agreement:

(a) The outstanding principal amount of such Advance to be continued is $____ _

(b) The new Repayment Date applicable to such Advance is _____; [not more than 3 months after the current Repayment Date for the Advance.

Yours truly,

ONTARIO POWER AUTHORITY

Per: _ _ _ _ _ _ _ _ _ _
Rosalyn Lawrence
Authorized Signatory

Per: _ _ _ _ _ _ _ _ _ _
Rick Jennings
Authorized Signatory

*To be confirmed by telephone call to OFA Cash Management (416) 325-8108

SCHEDULE3

ONTARIO POWER AUTHORITY

GRID NOTE

Principal Amount: Up to $500,000,000 Date: _____

FOR VALUE RECEIVED, ONTARIO POWER AUTHORITY (the **"OPA"),** incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the OPA, all as recorded by the OFA on the grid (the **"Grid")** attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the OPA to record on the Grid (a) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (b) the applicable rate of interest for each Advance; (c) the repayment date of each Advance; (d) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (e) the outstanding principal balance. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated as of [Insert) between the Borrower and the OFA (the **"Credit Agreement").** All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement. This Note is not transferable or negotiable without the prior written consent of the OPA. The OPA hereby waives presentment for payment, demand, protest, notice of dishonour and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the OPA has executed this Note.

ONTARIO POWER AUTHORITY

Per: -1,'L::' ;aw,u L;,.. .....
Rosalyn Lawrence
Authorized Signatory

Per: _ _ _ _ _ _ _ _ _
Rick Jennings
Authorized Signatory

DATE	PRINCIPAL ADVMTCED	RATE	REPAYME:NT DATE AND PRINCIPAL REPAID	INTEREST.. PAYMENT DATE AND AMOUNT	UNPAID PRINCIPAL . BALANCE	NOTATION MADE BY

ONTARIO POWER AUTHORITY

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

CREDIT AGREEMENT

THIS AGREEMENT is made as of the 1st day of January 2005, between:

A. **ONTARIO POWER AUTHORITY a corporation established under the *Electricity Act, 1998*** (the "**OPA**")

B. **ONTARIO FINANCING AUTHORITY a Crown agency established under the *Capital Investment Plan Act, 1993*** (the "**OFA**").

RECITAL:

The OPA has requested an operating line of credit from the OFA in the amount of $500 million and the OFA has agreed to provide such a line of credit to the OPA.

NOW THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the OPA under Article 3 and **"Advance"** means any one of such advances.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereof", "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; an the expression **"Article"** or **"Section"** followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2.

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"Dollars" or "$" means lawful currency of Canada.

"Commitment" means, at any time, an amount equal to $500 million.

"Consolidated Assets" means, at any time, the book value of the assets of the OPA, determined as of such time on a consolidated basis in accordance with generally accepted accounting principles.

"default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person; and

(f) every obligation of the type referred to in paragraphs (a) through (e) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Operating Facility" means the revolving credit facility to be made available to the OPA by the OFA under this Agreement for the purposes specified in Section 2.3.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of OPA to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the OPA under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which the are held by the OPA;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the OPA that have not at the time been filed against the OPA; provided, however, that if any such Lien or charge shall have been filed, the OPA shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the OPA in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the OPA will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the OPA;

(i) any Liens and privileges arising out of judgments or awards with respect to which the OPA shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review; and

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the OPA, acting reasonably, material impair the use of the property subject thereto or the operation of the business of the OPA or the value of such property for the purpose of any such business.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or par of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

Section 1.2 Effect of Headings and Table of Contents.

The division of this Agreement into Articles and Sections the insertion of headings and the provision of a Table of Contents are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words **"including"** and **"includes"** mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with generally accepted accounting principles. Generally accepted accounting principles refer to accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants at the relevant time applied on a consistent basis.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2

OPERATING FACILITY

Section 2.1 Availability

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the OPA. The OFA shall make each Advance in Canadian Dollars.

Section 2.2 Commitment and Facility Limits.

The Advances Outstanding to the OPA under the Operating Facility shall not at any time exceed the Commitment. The Operating Facility shall revolve and no payment under the Operating Facility shall reduce the Commitment.

Section 2.3 Use of Proceeds.

The OPA shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 423/04 made under the *Electricity Act, 1998.*

Section 2.4 Mandatory Repayment.

Subject to Sections 2.9 and 5.1, the OPA shall repay each Advance on the applicable Repayment Date and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on December 31, 2006.

Section 2.5 Prepayments.

The OPA is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.7 Payments under this Agreement.

(1) The OPA shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the OPA from time to time, or in such other manner as the OFA may specify to the OPA from time to time. The OPA shall make each such payment in Canadian Dollars.

(2) The OFA shall make Advances to the OPA under this Agreement to or to the order of the OPA by wire transfer of immediately available funds in accordance with wire transfer instructions given by the OPA to the OFA from time to time, or in such other manner as the OPA may specify to the OFA from time to time.

Section 2.8 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.9 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the OPA shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.9(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together will all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

ARTICLE 3

ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the OPA under the Operating Facility from time to time on any Business Day prior to November 30, 2006.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(3), each Advance shall be made on one Business Day's prior notice given not later than 10:00 a.m. (Toronto time) by the OPA to the OFA. Each notice of an Advance (a **"Borrowing Notice"**) shall be substantially in the form of Schedule 1, shall be irrevocable and binding on the OPA and shall specify (a) the requested date of the Advance, and (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall be not later than 1 month, 2 months or 3 months after the requested date of the Advance. The OFA will make the principal amount of each Advance available to the OPA in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the OPA shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3. The OPA authorizes the OFA to record on the grid promissory note (a) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (b) the applicable rate of interest for each Advance; (c) the Repayment Date of each Advance; (d) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (e) the outstanding principal amount of the grid promissory note. Such notations, in the absence of manifest error, shall be prima facie evidence of the such advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the OPA to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The OPA may elect to continue all or a portion of the principal amount of any Advance for a further period of 1 month, 2 months or 3 months beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each election to continue an Advance for a further period shall be made one Business Day's prior notice given, in each case, not later than 10:00 a.m. (Toronto time) by the OPA to the OFA. Each such notice (an **"Election Notice"**) shall be given substantially in the form of Schedule 2 and shall be irrevocable and binding upon the OPA. If the OPA fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

Section 3.4 Interest on Advances.

(1) The OPA shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the OPA elects to continue an Advance in accordance with Section 3.3(2), the Province shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the OPA promissory note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the OPA contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the OPA; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the OPA is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the OPA confirming that the borrowing is within the legal powers of the OPA and that the Agreement is a direct, unsecured obligation of the OPA enforceable against the OPA in form satisfactory to the OFA.

ARTICLE 4

COVENANTS OF THE OPA

Section 4.1 Payment of Advances.

The OPA will duly and punctually pay or cause to be paid all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 OPA will Maintain its Corporate Existence.

The OPA will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The OPA will cause all property owned by the OPA to be maintained and kept in good condition, repair an working order, all as in the judgment of the OPA may be necessary for the proper operation of such property, except as and to the extent that the OPA may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the OPA from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the OPA , desirable in the conduct of its business.

Section 4.4 Insurance.

The OPA will cause all property owned by the OPA which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The OPA will carry on and conduct their respective businesses in a proper, efficient and business-like manner and in accordance with good business practice.

Section 4.6 Negative Pledge.

The OPA will not create, incur or assume any Lien, charging the interest of the OPA in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future indebtedness of the OPA to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the OPA in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

The OPA will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Services (including those incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the OPA to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the OPA reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the OPA for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

ARTICLE 5

EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term **"Event of Default"** means any of the following:

(a) failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on December 31, 2006;

(c) failure on the part of the OPA to observe or perform its obligations set forth in Section 4.1;

(e) failure on the part of the OPA to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the OPA by OFA;

(f) any representation or warranty made by the OPA in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(g) one or more breaches by the OPA of its covenants under one or more evidences of indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waive or rescinded);

(h) the OPA:

(i) becomes generally not able to pay its debts as they become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme *of* arrangement involving the rescheduling or composition *of* its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it a bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy / insolvency / reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismisssed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar

official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.1(h)(i) to (iii); or

(i) if there shall be rendered against the OPA a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the OPA shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may declare all amounts owing hereunder to be due and payable immediately, by a notice in writing to the OPA, and upon any such declaration all such amounts shall become immediately due and payable.

Section 5.3 Suits for Enforcement by OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the OPA under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the OPA, or if any other judicial proceedings relative to the OPA, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing und this Agreement and to file such other papers or documents as ma be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF OPA

Section 6.1 Representations and Warranties of OPA

The OPA represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the OPA and the execution, delivery and performance of this Agreement are within the powers and capacities of the OPA and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the OPA, laws of Ontario, including laws of Canada applicable therein, applicable to the OPA or any contractual or other obligation binding on the OPA;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the OPA enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the OPA for the purposes set out in Section 2.3.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7

GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the OPA, to it at:

Ontario Power Authority
880 Bay Street
3rd Floor
Toronto, ON M7A 2C

Attention: Chief Executive Officer
Telephone:
Telecopier:

If to OFA, to it at:

Ontario Financing Authority
1 Dundas Street West
Suite 1400
Toronto, Ontario
M7AIY7

Attention: Executive Director -Capital Markets Division
Telephone: (416) 325-8128
Telecopier: (416) 325-8005

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p. m (Toronto time), otherwise on the next Business Day, (b) transmitted by telecopier other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the OPA and their respective successors and permitted assigns, except that the OPA shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the OFA and the OPA.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) or this Agreement nor shall such waiver be binding unless executed in writing y the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude an other or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the OPA and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement.

Section 7.6 Severability.

In case any provision in this Agreement shall be in valid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement as of the 1st day of January, 2005.

ONTARIO POWER AUTHORITY

by: _____
Name: Rosalyn Lawrence
Authorized Signing Officer

and: _____
Name: Rick Jennings
Authorized Signing Officer

ONTARIO FINANCING AUTHORITY

by: _____

Name: Gadi Mayman
Title: Chief Executive Officer

SCHEDULE 1
FORM OF BORROWING NOTICE

Via Telecopier: (416)

Ontario Financing Authority **("OFA")**
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A1Y7

Attention: Cash Management

Dear Sirs:

The undersigned, Ontario Power Authority, refer to the credit agreement dated [Insert] (as amended, supplemented or restated from time to time, the **"Agreement"**, the terms defined therein being used herein as therein defined) between the OPA and the OFA, and gives you notice pursuant to Section 3.2 of the Agreement that the OPA requests an Advance under the Agreement, and, in that connection, sets forth below the information relating such Advance (the **"Proposed Advance"**) as required by Section 3.2 of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The aggregate amount of the Proposed Advance is _____;
(c) The Repayment Date of the Proposed Advance is _____; [not more than 3 months after the date of the Proposed Advance]

Yours truly,

ONTARIO POWER AUTHORITY

Per: _____
Rosalyn Lawrence
Authorized Signatory

Per: _____
Rick Jennings
Authorized Signatory

*To be confirmed by telephone call to OFA Cash Management (416) 325-8108.

SCHEDULE 2

FORM OF ELECTION NOTICE

Via Telecopier: (416)

Ontario Financing Authority ("**OFA**")
1 Dundas Street West
Suite 1400
Toronto, Ontario
M7A 1Y7

Attention: Cash Management

Dear Sirs:

The undersigned, Ontario Power Authority, refer to the credit agreement dated [Insert] (as amended, supplemented or restated from time to time, the "**Agreement**", the terms defined therein being used herein as therein defined) between the OPA and OFA, and gives you notice pursuant to Section 3.3 of the Agreement that the OPA elects to continue all or a portion of an Advance for an additional term and, in that connection, sets forth below the information relating to the election as required by Section 3.3(3) of the Agreement:

(a) The outstanding principal amount of such Advance to be continued is $_____;

(b) The new Repayment Date applicable to such Advance is _____; [not more than 3 months after the current Repayment Date for the Advance.

Yours truly,

ONTARIO POWER AUTHORITY

Per: _____
Rosalyn Lawrence
Authorized Signatory

Per: _____
Rick Jennings
Authorized Signatory

*To be confirmed by telephone call to OFA Cash Management (416) 325-8108

SCHEDULE 3

ONTARIO POWER AUTHORITY

GRID NOTE

Principal Amount: Up to $500,000,000 Date: _____

FOR VALUE RECEIVED, ONTARIO POWER AUTHORITY (the **"OPA"**), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY ("OFA")** at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the OPA, all as recorded by the OFA on the grid (the **"Grid"**) attached to and forming part of this Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Credit Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the OPA to record on the Grid (a) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (b) the applicable rate of interest for each Advance; (c) the repayment date of each Advance; (d) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (e) the outstanding principal balance. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Note together with all interest accrued thereon shall become due and payable as specified in the Credit Agreement dated as of [Insert] between the Borrower and the OFA (the **"Credit Agreement"**). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

This Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Credit Agreement. This Note is not transferable or negotiable without the prior written consent of the OPA. The OPA hereby waives presentment for payment, demand, protest, notice of dishonour and notice of non-payment.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the OPA has executed this Note.

ONTARIO POWER AUTHORITY

Per: _____
Rosalyn Lawrence
Authorized Signatory

Per: _____
Rick Jennings
Authorized Signatory

DATE	PRINCIPAL ADVANCED	RATE	REPAYMENT DATE AND PRINCIPAL REPAID	INTEREST PAYMENT DATE AND AMOUNT	UNPAID PRINCIPAL BALANCE	NOTATION MADE BY

From: Lisa Stein
To: William Tan
Cc: Sarah Harris; Jean-Francois Beaupre
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx
Date: Monday, October 30, 2017 11:44:52 AM

Hi Will,
I just discussed your comments regarding the compare, below, with Sarah H. We have decided to wait on these issues until we draft an amended and restated version of the existing credit facility agreement (subject to comments from IESO). There are already negative pledge provisions in the current agreement, and therefore raising new issues at this stage may further delay this matter.
Thank you,
Lisa

From: William Tan
Sent: Monday, October 23, 2017 2:02 PM
To: Lisa Stein
Cc: Sarah Harris ; Jean-Francois Beaupre
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx
Hello Lisa,
I have no comments regarding "Section 7.8 Entire Agreement".
On a separate matter, I was comparing the existing $975 million credit facility Amending Agreement No. 10, against the FHP Credit Facility and noticed Section 3.3 Elections Regarding Advances (6) and (7) was not included in the Amending Agreement update.
Also, FHP Credit Facility- Section 4.6 Negative Pledge has additional language that pertains to "not permit any Material Subsidiary to, create, incur or assume any Lien…". Should we add those changes to the Amending Agreement 10?
Attached is the original
Thanks,
Will

From: Lisa Stein
Sent: Monday, October 23, 2017 10:31 AM
To: John Kim ; William Tan ; Sarah Harris
Cc: Sarah Neville
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx
Hi John,
In general, the purpose is to clarify that the Agreement and its Schedules take precedence over any discussions or undertakings that may have occurred between the parties prior to the execution of the agreement. In other words, the OFA may not agree to amend the agreement, for example, to change the permitted liens or remove the intercept provisions, on the basis of previous discussions or e-mails with the IESO.
The clause, which is generally boiler plate in an agreement, states as follows:
This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreements, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.
Thanks,

Lisa

From: John Kim
Sent: Monday, October 23, 2017 10:23 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: RE: fhp credit facility agreement execution version v3 blackline.docx

Hi Lisa,

Could you remind me what the purpose of the "entire agreement" clause is?

Thanks,

John

From: Lisa Stein
Sent: Monday, October 23, 2017 10:19 AM
To: William Tan <William.Tan@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: fhp credit facility agreement execution version v3 blackline.docx

Hi Will,

Please find attached a revised black-lined version of the FHP credit facility agreement. The only change from the last version is the addition of an "entire agreement" clause in section 7.8, as discussed at our internal meeting last week. Please send this amendment to the IESO (and re-format the accompanying draft clean execution version as necessary).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From: Sarah Harris
To: William Tan
Subject: RE: revised: FHP and Amending Agreement No. 10 - Order of Events
Date: Friday, October 27, 2017 11:49:43 AM

Hi Will,
Here's are some proposed edits. Please take a look and if you agree, send to Lisa.
*Important – before this goes out to Victor – check with Treasury (Cash, Accounting, Settlements) and Carlos to let them know the plan about FUNDING the difference and to confirm there are no issues.
Thanks,
Sarah

From: William Tan
Sent: Friday, October 27, 2017 11:23 AM
To: Sarah Harris
Subject: revised: FHP and Amending Agreement No. 10 - Order of Events

Hi Sarah,
Revised below
Hello Anthony and Victor,
Pending the execution of the intercept letter agreement next week, we can certainly target executing the FHP credit facility at that same time, however, we propose holding-off the executing the amending agreement until November 22nd.
Currently there is $840M outstanding under the existing credit facility agreement; we cannot reduce the limit of the $975M to $475M while the $840M is still outstanding. As per our discussion [Question: did you talk on the phone with Anthony, or was this an e-mail please specify]with Anthony, it is IESO's intention that the next draw for the whole balance of $840M (plus any new funding) will be entirely funded through the new FHP facility (i.e. that is move all funding for next draw on November 21st from the existing $975 million Credit Facility to the $2 Billion FHP Credit Facility)~~. Currently we cannot reduce the existing $975 million limit under the facility while $840 million is still outstanding under it.~~
In order to achieve this with least disruption we propose:

- Sign the FHP Credit Facility agreement first next week (assuming intercept letter will be signed at the same time)
- For next advance, Prior to November 21st funding date, IESO sends to the OFA the FHP Borrowing Notice under the new Facility specifying the amount of the next advance ($840 million + new advance).
- Allow the $840 million outstanding under the existing $975 million Credit Facility to mature on November 21st and OFA will fund the November 21st advance (whereby OFA will send any net difference of funds above the $840M to IESO) under the new Facility
- Arrange to execute Amending Agreement No. 10 on November 22 to reduce the existing credit facility on $475M.

Please provide you thoughts if this is suitable.
Thanks,
Will

From: Sarah Harris

Sent: Friday, October 27, 2017 10:50 AM
To: William Tan <William.Tan@ofina.on.ca>
Subject: RE: FHP and Amending Agreement No. 10 - Order of Events

Hi Will,

Just checking whether you discussed with Anthony, or if it was e-mail? Suggest you put steps in 2nd paragraph in bullets, because the phrasing in the context of a paragraph looks odd.

If you're responding to Victor on his e-mail, I suggest you start off the e-mail by stating that we expect to execute the FHP facility next week, but propose holding off to execute the amending agreement until November 22nd. Then go through the reasoning per below.

Also, Lisa is right. Instead of sending semi-executed. Just say we arrange to execute the agreement on November 22.

Thanks,

Sarah

From: William Tan
Sent: Friday, October 27, 2017 10:42 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
Subject: FHP and Amending Agreement No. 10 - Order of Events

Hello Lisa,

Please review if you agree with the order of events so we may streamline the execution process with IESO.

Thanks,

Hello Anthony and Victor,

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We propose to signing the FHP Credit Facility agreement first on November 1st and receiving the FHP Borrowing Notice to advance ($840 million + new advance) on November 16. Allow the $840 million outstanding under the existing $975 million Credit Facility to mature on November 21st . Sign the semi-executed Amending Agreement No. 10 on November 16 to reduced the existing credit facility on November 22nd.

Please provide you thoughts is this is suitable.

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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If you're responding to Victor on his e-mail, I suggest you start off the e-mail by stating that we expect to execute the FHP facility next week, but propose holding off to execute the amending agreement until November 22nd. Then go through the reasoning per below.

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Sent: Friday, October 27, 2017 10:42 AM
To: Lisa Stein <Lisa.Stein@ofina.on.ca>
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Please provide you thoughts is this is suitable.

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
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william.tan@ofina.on.ca

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From: Caroline Swerdlyk
To: Lisa Stein; William Tan; Sarah Harris
Subject: Re: Amending Agreement No. 10 + Mike signing authority
Date: Tuesday, September 05, 2017 5:09:38 PM

Hi Lisa,

The OFA made the additional amendments to Amending Agreement No. 10, and Will sent them to the IESO on Thursday.

I will forward that email to you, for easy reference.

Caroline

From: Lisa Stein
Sent: September 5, 2017 4:44:17 PM
To: William Tan; Sarah Harris
Cc: Caroline Swerdlyk
Subject: RE: Amending Agreement No. 10 + Mike signing authority

Hi Will,

I agree that Mike Manning has the authority to sign OFA loan agreements. Who will be making the additional amendments to Amending Agreement No. 10 (referred to in IESO e-mail), or has this already been done?

Thank you,

Lisa

From: William Tan
Sent: Tuesday, September 05, 2017 3:02 PM
To: Sarah Harris
Cc: Lisa Stein ; Caroline Swerdlyk
Subject: Amending Agreement No. 10 + Mike signing authority

Hello,

Attached is the IESO sign-off on the August 18, version of Amending Agreement No. 10. We expect minimal comments coming back.

Also, attached is Mike Manning's Designation of Authorized Signatory. According to 1. a) Mike is allowed to sign loan agreements.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
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From: John Kim
To: Lisa Stein
Cc: Sarah Neville; Sarah Harris; Opal Kandelas; William Tan
Subject: Re: Away
Date: Wednesday, September 27, 2017 4:23:05 PM

Sorry offsite now. Ron is planning to talk to Gadi as he also has some insight. Might be best you wait.

Sent from my iPhone

On Sep 27, 2017, at 4:11 PM, Lisa Stein <Lisa.Stein@ofina.on.ca> wrote:

> Hi John,
> I received a voicemail from Victor Buzza this afternoon. Please give me a call to discuss the current status before I call him back – I was also planning to ask him about OPG's involvement. As we have previously mentioned, we don't have a concern from a legal perspective re: sharing the letter agreement and/or the draft credit facility agreement.
> Lisa
>
> **From:** John Kim
> **Sent:** Wednesday, September 27, 2017 3:47 PM
> **To:** Sarah Harris <Sarah.Harris@ofina.on.ca>
> **Cc:** Opal Kandelas <Opal.Kandelas@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
> **Subject:** RE: Away
> Thanks, have a good break.
> That reminds me to provide everyone with a bit of an update. Had a call with Energy Legal. He still sounds optimistic that things would be resolved on Energy's side by tomorrow. Ron has reached out to IESO as we are just not sure why OPG needs to be involved. If we have to go there, we will go there but will try to talk to them first.
> John
>
> **From:** Sarah Harris
> **Sent:** Wednesday, September 27, 2017 3:45 PM
> **To:** John Kim <John.Kim@ofina.on.ca>
> **Cc:** Opal Kandelas <Opal.Kandelas@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
> **Subject:** Away
> Hi John,
>
> I will be away returning October 3rd. In my absence would you please keep Opal Kandelas and William Tan copied on any developments regarding the IESO intercept letter.
> Thanks,
> Sarah

From: Sarah Harris
To: William Tan
Subject: Re: FHP AA No. 10 - Order of Events
Date: Friday, October 27, 2017 9:13:56 AM

Hi. Hold off sending external please until I have a chance to look. On my way on. Thanks

Sent from my iPhone

On Oct 27, 2017, at 8:48 AM, William Tan <William.Tan@ofina.on.ca> wrote:

> Good morning Lisa,
> Anthony has notified us of his intentions on Nov 21, to move the entire balance of $840mm + new advance, to the $2B credit facility. I have put together a timeline/checklist based on the aforementioned scenario in an effort to get everyone on the same page. You will notice that the FHP credit facility is set-up first to be available when the transfer is eventually ready to be done. The Amending Agreement No. 10 will be signed and reduced closer to the time of the transfer.
> Please find the attached checklist outlining the order of events. I have also created a separate internal checklist. Please review both checklists so I may share the **EXTERNAL** checklist it with Anthony.
> Best regards,
> **Will Tan**| *Documentation & Analysis Specialist*
> Capital Markets Division | Ontario Financing Authority
> 1 Dundas Street West, Suite 1400
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> <(Internal) Checklist, Order of Events FHP and AA 10.docx>

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From: Sarah Neville
To: John Kim
Cc: Anna Strathy; Sarah Harris; Lisa Stein
Subject: Re: FHP credit facility agreement - intercept
Date: Wednesday, September 20, 2017 7:59:25 PM

OK - I will make myself available. Might be helpful to have everyone who needs to be engaged on the same call so that we can get a decision and answer any questions.

Sarah

Sent from my iPhone

On Sep 20, 2017, at 4:57 PM, John Kim <John.Kim@ofina.on.ca> wrote:

> Ok, thanks Sarah. I asked Tom for his availability tomorrow suggesting that I'd organize a call with our legal staff.
>
> **From:** Sarah Neville
> **Sent:** Wednesday, September 20, 2017 4:47 PM
> **To:** John Kim <John.Kim@ofina.on.ca>
> **Cc:** Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
> **Subject:** RE: FHP credit facility agreement - intercept
> Great John, thanks.
> I think we can convey in any meetings that the agreements can move quickly as long as everyone agrees to add the intercept provision.
> Sarah
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> **Sent:** Wednesday, September 20, 2017 4:42 PM
> **To:** Sarah Neville <Sarah.Neville@ofina.on.ca>
> **Cc:** Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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> Hi Sarah,
> I agree that we should aim for a policy level call tomorrow.
> In my call with IESO staff, they expressed that they understood the rationale behind the approach, along the lines of no substantive issue as there is no appropriation here. At least the IESO staff fully understood that point. They do want this facility in place asap so it would not surprise me if they expressed frustration around the proposed approach and the delay.
> As mentioned in my earlier email, this will be brought up potentially at tomorrow's meeting.
> Thanks,
> John

From: Sarah Neville
Sent: Wednesday, September 20, 2017 4:36 PM
To: John Kim <John.Kim@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: FHP credit facility agreement - intercept

Hi John –

Toby from MOF Legal just called Lisa. Tom McKinley, counsel from MOE reached out to him in response to your memo to find out what the rationale was for the memo, apparently IESO reached out to Energy and expressed concern about what was going on.

I think it may be prudent to arrange for a policy level call tomorrow to provide reassurance that there is no substantive issue here, but in the absence of a directive we require inclusion of the intercept provisions. Notwithstanding that there are currently no appropriations. Once this is done the loan agreement can be finalized without further delay.

I've copied Anna given your earlier heads up to her. Please let me know how you would like to proceed.

Sarah

From: Lisa Stein
Sent: Wednesday, September 20, 2017 4:23 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: FHP credit facility agreement - intercept

Hi Sarah and John,

Please note that I will be away until Monday. I've provided Sarah Neville with a draft version of the agreement containing intercept provisions. In the even that this matter moves forward in the next couple of days, please contact Sarah.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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Hi John –

Toby from MOF Legal just called Lisa. Tom McKinley, counsel from MOE reached out to him in response to your memo to find out what the rationale was for the memo, apparently IESO reached out to Energy and expressed concern about what was going on.

I think it may be prudent to arrange for a policy level call tomorrow to provide reassurance that there is no substantive issue here, but in the absence of a directive we require inclusion of the intercept provisions. Notwithstanding that there are currently no appropriations. Once this is done the loan agreement can be finalized without further delay.

I've copied Anna given your earlier heads up to her. Please let me know how you would like to proceed.

Sarah

From: Lisa Stein
Sent: Wednesday, September 20, 2017 4:23 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Cc: Sarah Neville <Sarah.Neville@ofina.on.ca>
Subject: FHP credit facility agreement - intercept

Hi Sarah and John,

Please note that I will be away until Monday. I've provided Sarah Neville with a draft version of the agreement containing intercept provisions. In the even that this matter moves forward in the next couple of days, please contact Sarah.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

From: Mike Manning
To: Malle Hanslep (MOF)
Cc: Tobias P. Whitfield (MOF); Opal Kandelas; Sarah Harris
Subject: Re: Fair Hydro -- Form of ISDA Schedule
Date: Tuesday, October 24, 2017 6:48:40 PM

I think that is a good idea. We may need all hands on deck.
Thanks, Mike

Sent from my iPhone

On Oct 24, 2017, at 5:36 PM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca> wrote:

> Hi Mike
>
> Although we are not really going to give much input to the terms of the, various agreements etc I am wondering whether it makes sense to have the documentation group involved in this project. I know that Opal came to one of the early meetings as there are going to be quite a few agreements to review.
>
> Perhaps we can discuss this tomorrow?
>
> Thanks
> Sent from my BlackBerry 10 smartphone on the Rogers network.
> From: Mansoori, Nina <nmansoori@torys.com>
> Sent: Tuesday, October 24, 2017 17:21
> To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
> Cc: Feldman, Michael; Ramchandani, Rima; Olusoga, Yinka; Saulnier, Brett; Mansoori, Nina
> Subject: RE: Fair Hydro -- Form of ISDA Schedule
>
> All,
>
> We attach a draft Schedule for an ISDA Master Agreement to be used for hedging purposes in connection with the issuance of Fair Hydro debt. This draft is subject to the working group's review and comment.
>
> Best Regards,
> Nina
>
> Nina Mansoori
> P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
> 79 Wellington St. W., 30th Floor, Box 270, TD South Tower
> Toronto, Ontario M5K 1N2 Canada |
> www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-

40&m=1VTa1zXh4KcvkaKlO9-ARX4ZdAPchHFOUlZrzzbEKu8&s=WV1r2al3I6I7hp4_ENGNsOCi-ONgrumWNDvMZJ5snis&e= >
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=1VTa1zXh4KcvkaKlO9-ARX4ZdAPchHFOUlZrzzbEKu8&s=WV1r2al3I6I7hp4_ENGNsOCi-ONgrumWNDvMZJ5snis&e= >

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Cc: Tobias P. Whitfield (MOF); Opal Kandelas; Sarah Harris
Subject: Re: Fair Hydro -- Form of ISDA Schedule
Date: Tuesday, October 24, 2017 6:48:40 PM

I think that is a good idea. We may need all hands on deck.
Thanks, Mike

Sent from my iPhone

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> 79 Wellington St. W., 30th Floor, Box 270, TD South Tower
> Toronto, Ontario M5K 1N2 Canada |
> www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-

40&m=1VTa1zXh4KcvkaKlO9-ARX4ZdAPchHFOUlZrzzbEKu8&s=WV1r2al3I6I7hp4_ENGNsOCi-ONgrumWNDvMZJ5snis&e= >
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=1VTa1zXh4KcvkaKlO9-ARX4ZdAPchHFOUlZrzzbEKu8&s=WV1r2al3I6I7hp4_ENGNsOCi-ONgrumWNDvMZJ5snis&e= >

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From: Sarah Harris
To: Malle Hanslep (MOF)
Subject: Re: Fair Hydro -- Supplemental Indenture for Long Term Debt
Date: Friday, October 27, 2017 12:59:09 PM

Thanks Malle. I will touch base with Mike to infirm I can attend.

Sarah

Sent from my iPhone

On Oct 27, 2017, at 12:49 PM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca> wrote:

> There is a meeting from 2 to 5 this afternoon in the executive boardroom on this project which is to cover quite a few questions about the structure. I think that if documentation is going to be involved in this project it would be useful for someone to attend. Perhaps you should check with Mike?
>
> **From:** Hanslep, Malle (MOF)
> **Sent:** October 26, 2017 6:48 PM
> **To:** Harris, Sarah (OFA)
> **Subject:** Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt
> Sent from my BlackBerry 10 smartphone on the Rogers network.
>
> **From:** Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
> **Sent:** Thursday, October 26, 2017 18:47
> **To:** Kandeepan, Ken (OFA); Manning, Mike (OFA); Mayman, Gadi (OFA); Yep, Carlos (OFA); Kwan, Ronald (OFA); Devine, James (OFA); Kim, John (OFA); Strathy, Anna (OFA); Katona, Keley (MOF); John Psinas; Nelms, Scott (MOF); Montgomery, Kaitlin (MOF); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
> **Cc:** Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG)
> **Subject:** Fw: Fair Hydro -- Supplemental Indenture for Long Term Debt
> I might not have covered everyone with this email
> Sent from my BlackBerry 10 smartphone on the Rogers network.
>
> **From:** Saulnier, Brett <bsaulnier@torys.com>
> **Sent:** Thursday, October 26, 2017 18:36
> **To:** Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); STEPHEN.ASHBOURNE@blakes.com
> **Cc:** 'leslie.wong@opg.com'; dup-john.s.lee@opg.com; 'ken.ryfa@opg.com'; Feldman, Michael; Ramchandani, Rima; Mansoori, Nina; Olusoga, Yinka
> **Subject:** Fair Hydro -- Supplemental Indenture for Long Term Debt
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> All,
> Please find attached a first draft of the supplemental indenture for the long term debt, which we just received from Osler. Osler has advised that this draft remains subject to review and comment by the dealers. Please note that Torys/OPG have not yet reviewed.
> Thanks,
> Brett
> Brett Saulnier

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Sent from my iPhone

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From: Victor Buza
To: Lisa Stein
Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: Re: Final Docs for FHP Credit Agreement and AA#10
Date: Thursday, October 26, 2017 8:05:30 PM

Thanks Lisa - I'd be happy to look at whatever you have by tomorrow mid-afternoon even if not entirely complete in order to keep things moving forward.

Per my email exchange with John earlier this week, we were targeting signing both agreements and the Intercept Letter by no later than middle of next week - please let us know if there is a view that target is at risk or is not achievable for any reason.

Victor

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Lisa Stein
Sent: Thursday, October 26, 2017 6:25 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Victor,
We are still finalizing AA#10. We will send it to you either tomorrow or early next week.
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, October 26, 2017 5:45 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; Anthony Martinello
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Lisa – just wanted to check whether the latest version of AA#10 was ever sent across for our review or whether you were still waiting on finalization of the FHP Credit Agreement ? I can't seem to find anything in my system.
I would like to review the additions to the Permitted Liens language in AA#10 asap even if the addition of the Intercept language is not final.
Thanks,
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 10, 2017 12:10 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Victor,
We will send out a revised version of Amending Agreement #10, which has already been updated to include the Permitted Liens language, once we finalize the Credit Facility Agreement. Do you have

any update on that agreement?
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 9:03 AM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Thanks Will. I'm assuming you will also be separately providing a revised Amending Agreement #10 with the relevant changes ?
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 06, 2017 11:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes revised Permitted Liens (K) language. Obviously the letter agreement needs to be executed first.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, October 04, 2017 3:53 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –
" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "
Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.
Let me know if you have any questions.
Regards,
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,

That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.
Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.
We look forward to the Permitted Liens changes tomorrow.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. Thanks for these drafts. I note that clean Word and pdf versions of v.3 of the FHP Credit Agreement were attached, but there was no attachment re Amending Agreement #10 to the existing facility (not sure if that was intended).
We cannot yet provide detailed comments on the Intercept Letter itself or on the language related to the Intercept Letter now included in v.3 of the FHP Credit Facility. We will provide those comments after we have been able to confirm whether any concerns arise out of the discussions with OPG. However, at a high level, I note that the current draft of the Intercept Letter states that the existing facility (i.e. the one to be reduced to $475MM) will also be subject to the Intercept mechanism. Based on our prior discussions, we thought this existing facility was being "grandfathered" and so would not be subject to the OFA policy that requires inclusion of the Intercept mechanism/language. Can you please clarify OFA's intended approach on this ?
Also, just wanted to let you know that based on our most recent reviews of the draft documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.
Feel free to call if you have any questions.
Regards,
Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]
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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM

To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.

The latest versions are:

OFA IESO Amending Agreement No. 10 – Execution Version v2.

FHP Credit Facility Agreement – Execution Version v3.

Thanks,

Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.

FHP credit facility agreement

1.Page 18. Facsimile: (416)860-8346

2. Page 20. Delivered Via Email: CASHP@ofina.on.ca

3. Page 22. Delivered Via Email: CASHP@ofina.on.ca

OFA IESO Amending Agreement No. 10

Page 6. Delivered Via Email: CASHP@ofina.on.ca

Page 8. Delivered Via Email: CASHP@ofina.on.ca

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and

AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.

3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.
4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6079
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: www.ieso.ca[ieso.ca][na01.safelinks.protection.outlook.com] | Twitter: IESO_Tweets[twitter.com][na01.safelinks.protection.outlook.com] | LinkedIn: IESO[linkedin.com][na01.safelinks.protection.outlook.com]

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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,
Victor
416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

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From: Victor Buza
To: Lisa Stein; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: Re: Final Docs for FHP Credit Agreement and AA#10
Date: Tuesday, October 10, 2017 2:06:51 PM

Hi Lisa - hopefully we'll be in a position to provide an update on that tomorrow afternoon sometime.
Victor

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Lisa Stein
Sent: Tuesday, October 10, 2017 12:09 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

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Thank you,
Lisa

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To: William Tan ; Anthony Martinello
Cc: Sarah Harris ; Lisa Stein
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
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" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "

Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.

Let me know if you have any questions.

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Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,

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We look forward to the Permitted Liens changes tomorrow.

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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
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send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.

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Cc: Sarah Harris; William Tan; Anthony Martinello; John Kim
Subject: Re: Final Docs for FHP Credit Agreement and AA#10
Date: Thursday, October 26, 2017 8:05:30 PM

Thanks Lisa - I'd be happy to look at whatever you have by tomorrow mid-afternoon even if not entirely complete in order to keep things moving forward.

Per my email exchange with John earlier this week, we were targeting signing both agreements and the Intercept Letter by no later than middle of next week - please let us know if there is a view that target is at risk or is not achievable for any reason.

Victor

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Lisa Stein
Sent: Thursday, October 26, 2017 6:25 PM
To: Victor Buza
Cc: Sarah Harris; William Tan; Anthony Martinello
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Victor,
We are still finalizing AA#10. We will send it to you either tomorrow or early next week.
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Thursday, October 26, 2017 5:45 PM
To: Lisa Stein
Cc: Sarah Harris ; William Tan ; Anthony Martinello
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Lisa – just wanted to check whether the latest version of AA#10 was ever sent across for our review or whether you were still waiting on finalization of the FHP Credit Agreement ? I can't seem to find anything in my system.
I would like to review the additions to the Permitted Liens language in AA#10 asap even if the addition of the Intercept language is not final.
Thanks,
Victor

From: Lisa Stein [mailto:Lisa.Stein@ofina.on.ca]
Sent: October 10, 2017 12:10 PM
To: Victor Buza; William Tan; Anthony Martinello
Cc: Sarah Harris
Subject: RE: Final Docs for FHP Credit Agreement and AA#10
Hi Victor,
We will send out a revised version of Amending Agreement #10, which has already been updated to include the Permitted Liens language, once we finalize the Credit Facility Agreement. Do you have

any update on that agreement?
Thank you,
Lisa

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 10, 2017 9:03 AM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Thanks Will. I'm assuming you will also be separately providing a revised Amending Agreement #10 with the relevant changes ?
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 06, 2017 11:01 PM
To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,
Please find the attached version of the FHP Credit Facility Agreement which includes revised Permitted Liens (K) language. Obviously the letter agreement needs to be executed first.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Wednesday, October 04, 2017 3:53 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. The following is the revised paragraph that we ask be substituted for that already in the definition of "Permitted Liens" in the FHP facility, and be added to the definition of Permitted Liens in Amending Agreement #10 for the existing facility –
" any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP; "
Regarding the addition to AA#10, this would also require the addition of the definitions for "OFHP" and "Clean Energy Adjustment" to that amendment.
Let me know if you have any questions.
Regards,
Victor

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: October 04, 2017 10:06 AM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein; John Kim
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Good morning Victor,

That's correct, I intentionally did not include a copy of the Amending Agreement No. 10 v2, because no changes to be made to it and the current version is still valid.
Yes, please review the Intercept Provision language in the FHP Credit Facility after discussions have concluded with OPG. John Kim is currently reviewing Intercept Provision matter with regards to the Existing Credit Facility.
We look forward to the Permitted Liens changes tomorrow.
Thanks,
Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, October 03, 2017 4:12 PM
To: William Tan <William.Tan@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hi Will. Thanks for these drafts. I note that clean Word and pdf versions of v.3 of the FHP Credit Agreement were attached, but there was no attachment re Amending Agreement #10 to the existing facility (not sure if that was intended).
We cannot yet provide detailed comments on the Intercept Letter itself or on the language related to the Intercept Letter now included in v.3 of the FHP Credit Facility. We will provide those comments after we have been able to confirm whether any concerns arise out of the discussions with OPG. However, at a high level, I note that the current draft of the Intercept Letter states that the existing facility (i.e. the one to be reduced to $475MM) will also be subject to the Intercept mechanism. Based on our prior discussions, we thought this existing facility was being "grandfathered" and so would not be subject to the OFA policy that requires inclusion of the Intercept mechanism/language. Can you please clarify OFA's intended approach on this ?
Also, just wanted to let you know that based on our most recent reviews of the draft documents/transactions (including with external counsel), I will shortly – likely tomorrow morning – send some revisions to paragraph (k) of the Permitted Liens definition, which I do not expect to be controversial. Concerning this language, we would ask that you also add the revised paragraph to the definition of "Permitted Liens" contained in the existing facility by way of Amending Agreement #10.
Feel free to call if you have any questions.
Regards,
Victor

Victor Buza | Senior Counsel
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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 29, 2017 5:01 PM

To: Anthony Martinello; Victor Buza
Cc: Sarah Harris; Lisa Stein
Subject: FW: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

Please find the attached version of the FHP Credit Facility Agreement which includes Intercept Provision language. Obviously the letter agreement needs to be executed first.

The latest versions are:

OFA IESO Amending Agreement No. 10 – Execution Version v2.

FHP Credit Facility Agreement – Execution Version v3.

Thanks,

Will

From: William Tan
Sent: Friday, September 15, 2017 1:42 PM
To: 'Victor Buza' <Victor.Buza@ieso.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>
Subject: RE: Final Docs for FHP Credit Agreement and AA#10

Hello Anthony and Victor,

We have made the following minor changes to the execution copies below. For operational purposes the facsimile number would also apply to the Amending Agreement No. 10. For practical purposes we will update the facsimile change into the next updated and restated agreement.

FHP credit facility agreement

1.Page 18. Facsimile: (416)860-8346

2. Page 20. Delivered Via Email: CASHP@ofina.on.ca

3. Page 22. Delivered Via Email: CASHP@ofina.on.ca

OFA IESO Amending Agreement No. 10

Page 6. Delivered Via Email: CASHP@ofina.on.ca

Page 8. Delivered Via Email: CASHP@ofina.on.ca

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Tuesday, September 12, 2017 3:59 PM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: Final Docs for FHP Credit Agreement and AA#10

Hi All – I attach what I am hoping are the closing documents for: (i) the new FHP Revolving Credit Agreement, and (ii) Amending Agreement #10 to the 2005 credit agreement. The following comments are relevant to the attachments:

1. I took the credit agreements you sent for both FHP and Amending Agreement #10 yesterday, accepted all the tracked changes, deleted the comments, made some minor spacing changes and put a blank following "September" as appropriate so that the final signing date can be filled in by hand. Note – regarding AA#10, I also deleted the document ID that showed at the bottom of some of the pages (which ID I assumed was some form of law firm tracking number).
2. I created two standalone Promissory Notes by extracting the Schedules from the FHP and

AA#10 respectively – the only change I made (apart from deleting the "Form of…" language at the top of the document) was to change the spacing slightly to fit on one page.

3. I also prepared final versions of the certified IESO board resolution and the incumbency certificate, again inserting a blank following September. Please note that the resolution is changed slightly from the one you reviewed in the sense that I inserted notes (instead of ellipsis) to show where redactions were made of information not related to the OFA financings. For convenience, I also removed the reference to the date of the FHP Credit Agreement.
4. I created pdfs of all documents and also include MS Word versions of the Agreements and Grid Notes for ease of comparison.

Please let me know if these documents appear in order.

Regards,

Victor

Victor Buza | Senior Counsel
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From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: September 11, 2017 3:25 PM
To: Victor Buza; Anthony Martinello
Cc: Sarah Harris; Lisa Stein
Subject: FW: Touch Base

Hello Anthony and Victor,

We have accepted your suggested changes and made a couple minor changes of our own.

Thanks,

Will

From: Victor Buza [mailto:Victor.Buza@ieso.ca]
Sent: Friday, September 08, 2017 3:32 PM
To: Sarah Harris <Sarah.Harris@ofina.on.ca>
Cc: William Tan <William.Tan@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: RE: Touch Base

Hi Sarah. I have attached what I believe should be the final version of the FHP Credit Facility Agreement (subject to OFA's acceptance and minor adjustments).

The nature of the corrections are mostly evident on their face, though in a couple of cases I inserted a brief note to explain the correction. Changes to the Schedules were to align with the approach in AA#10.

Feel free to call me if you have any questions. I'll be in the office today until shortly after 5:00. I will follow-up with minor fixes to the Amending Agreement No.10 document shortly.

Regards,
Victor
416-969-6079

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: September 08, 2017 12:45 PM
To: Anthony Martinello; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,
Sarah

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From: Sarah Harris
To: Sarah Harris
Subject: Re: IESO Agreements
Date: Thursday, November 02, 2017 5:57:56 PM

Will did not follow up with Anna. It was only after my meeting after 330 pm that I checked with Will to see if he had done it. Well at first said yes. I then further clarified whether he had spoken with Anna directly
other than when he and I spoke to Anna initially earlier in the day. He looked at me quizzically and I had him open the email where I had asked him to go see Anna. He had missed the second sentence. I told him to go see Anna and pointed out when he commits to doing something he must follow through.
Sent from my iPhone

On Nov 2, 2017, at 1:35 PM, William Tan <William.Tan@ofina.on.ca> wrote:

> Hi Sarah,
> Will do.
>
> **From:** Sarah Harris
> **Sent:** Thursday, November 02, 2017 1:23 PM
> **To:** William Tan <William.Tan@ofina.on.ca>
> **Subject:** IESO Agreements
> I think we should have Gadi sign everything since he is available tomorrow.
> Please arrange for this with Anna S (she is in my meeting right now.)
> Sent from my iPhone

From: Opal Kandelas
To: Sarah Harris
Subject: Re: IESO Directive
Date: Friday, September 01, 2017 9:23:01 AM

Okay. Thanks for the update. Implications for IESO's relationship with Moody's?

Are the agreements ready in execution form for when the exemption is finally approved? While we wait for this to occur I'd like to review both agreements. I will also suggest to Mike that a copy of both can be provided to him so that he can review in advance of signing.

Opal.

On Sep 1, 2017, at 9:11 AM, Sarah Harris <Sarah.Harris@ofina.on.ca> wrote:

> Hi Opal,
> The IESO directive was not signed yesterday. DMO/MO made the decision to pursue our Minister's signature early next week.
> Sarah

From: John Kim
To: Victor Buza
Cc: Anthony Martinello; Lisa Stein; William Tan; Sarah Harris; Gavin He
Subject: Re: Intercept Letter
Date: Thursday, November 02, 2017 6:05:34 PM

Good stuff, thanks Victor

Sent from my iPad

On Nov 2, 2017, at 6:04 PM, Victor Buza <Victor.Buza@ieso.ca> wrote:

> Just to let everyone know, we received the three original copies of the Intercept Letter already signed by MOE and OFA.
> Will have them executed tomorrow along with the other OFA document and return two original copies as you directed below – plus circulate the electronic version.
> Victor
>
> **From:** John Kim [mailto:John.Kim@ofina.on.ca]
> **Sent:** November 02, 2017 3:56 PM
> **To:** Anthony Martinello; Victor Buza
> **Cc:** Lisa Stein; William Tan; Sarah Harris; Gavin He
> **Subject:** RE: Intercept Letter
> Hi Anthony, Victor,
> When signed at IESO, pls. send one copy to us and one to Energy. An electronic version would be helpful.
> Thanks,
> John
>
> **From:** Sarah Harris
> **Sent:** Thursday, November 02, 2017 12:58 PM
> **To:** Anthony.Martinello@ieso.ca; Victor.Buza@ieso.ca
> **Cc:** Lisa Stein <Lisa.Stein@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>
> **Subject:** Intercept Letter
> Hello Victor and Anthony,
> The intercept letter has been signed off by Energy, and it will be hand-delivered to IESO shortly.
> Thanks,
> Sarah
>
> Sent from my iPhone

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From: John Kim
To: Lisa Swin
Cc: William Tan ; Sarah Ha ; Lisa Swin
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx
Date: Tuesday, October 31, 2017 3:48:07 PM

I am in a meeting now, so will call you when I come out

Sent from my iPad

On Oct 31, 2017, at 2:07 PM, Sarah Harris <Sarah.Harris@ieso.on.ca> wrote:

Hi John,

I will give you a call.

Sarah

-----Original Message-----
From: Lisa Swin
Sent: Tuesday, October 31, 2017 2:00 PM
To: John Kim <John.Kim@ieso.on.ca>
Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

The new FHP credit facility agreement will be executed and effective prior to AA#10. AA#10 will be effective November 22, 2017 (to allow it to be executed at the same time as the other agreements). I have had discussions about this matter with Sarah and Will, so I will defer to them to explain the operational details.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:58 PM
To: Lisa Swin <Lisa.Swin@ieso.on.ca>
Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi Lisa,

I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw.....what are your thoughts then?

The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.

John

-----Original Message-----
From: Lisa Swin
Sent: Tuesday, October 31, 2017 1:55 PM
To: John Kim <John.Kim@ieso.on.ca>
Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

No - the amount of the existing facility needs to be reduced first.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:54 PM
To: Lisa Swin <Lisa.Swin@ieso.on.ca>
Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Why November 22?

Wouldn't it be effective right away?

-----Original Message-----
From: Lisa Swin
Sent: Tuesday, October 31, 2017 1:53 PM
To: John Kim <John.Kim@ieso.on.ca>
Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: 'Victor Buzz' <Victor.Buzz@ieso.on.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.on.ca>; Michael Bolt <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buzz [mailto:Victor.Buzz@ieso.on.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ieso.on.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.on.ca>; Michael Bolt <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ieso.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buzz
Cc: Lisa Swin; Anthony Martinello; Michael Bolt; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buzz [mailto:Victor.Buzz@ieso.on.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ieso.on.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.on.ca>; Michael Bolt <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buzz
Cc: Swin, Lisa (OFA); Anthony Martinello; Michael Bolt; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

_____

From: John Kim [John.Kim@ieso.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: Victor Buzz; McKinlay, Tom (MAG)
Cc: Swin, Lisa (OFA); Anthony Martinello; Michael Bolt; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end in my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buzz [mailto:Victor.Buzz@ieso.on.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.on.ca>; Michael Bolt <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to confirm the Intercept clause in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ieso.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buzz
Cc: Lisa Swin; Anthony Martinello; Michael Bolt; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buzz' <Victor.Buzz@ieso.on.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.on.ca>; Michael Bolt' <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Ok, thanks Tom.

I do anticipate some additional discussion on our side as well between Ron and Gadi.

John

From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: Wednesday, October 25, 2017 4:01 PM
To: John Kim <John.Kim@ieso.on.ca>; 'Victor Buzz' <Victor.Buzz@ieso.on.ca>
Cc: Swin, Lisa (OFA) <Lisa.Swin@ieso.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.on.ca>; 'Michael Bolt' <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

From: John Kim [mailto:John.Kim@ieso.on.ca]
Sent: October 25, 2017 2:48 PM
To: Victor Buzz'; McKinlay, Tom (MAG)
Cc: Swin, Lisa (OFA); 'Anthony Martinello'; 'Michael Bolt'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi,

Pls. have a look at the latest and let us know if you have any comments.

Just a minor question. Is there a "the" in front of the Ontario Climate Change Solutions Deployment Corporation?

Could we all have a final look and consult in respective shops?

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 10:25 AM
To: 'Victor Buzz' <Victor.Buzz@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.on.ca>; Michael Bolt' <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Thanks Victor.

We anticipate circulating a version with the formatting today.

From: Victor Buzz [mailto:Victor.Buzz@ieso.on.ca]
Sent: Tuesday, October 24, 2017 5:18 PM
To: John Kim <John.Kim@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.on.ca>; Michael Bolt' <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi John.

1. The changes made are acceptable except for those made to the penultimate paragraph - please amend this part to read as follows:

For further certainty, the OFA and ENERGYY acknowledge and agree that the intercept provision as provided for herein, and this letter agreement generally, shall not apply with respect to any funds appropriated by the Legislature for payment to the IESO through ministries other than ENERGY or through Ontario Climate Change Solutions Deployment Corporation.

2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buzz | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6879
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: https://na01.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.ieso.ca%2F&data=02%7C01%7CVictor.Buzz%40ieso.ca%7C7cb4bf491f0b4cf0bd8408d51ba6f4d8-227C0-26edata-3DIMSSdRcWw62710WIMF0K4JTA4ombe1wWI1vbJLdkqE-2CJD-26reserved-3D0-2Bieso.ca-5D-2Bna0L-safelinks.protection.outlook.com-2Fdata-2Fv2-2Fdownload-2F0-2Fbuzz-2Fdownload-2F0-2Fbuzz-2Fdownload-2F0-2Fbuzz

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: John.Kim@ofina.on.ca <mailto:John.Kim@ofina.on.ca>
Ph: 416-212-6996

_____

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From: John Kim
To: Lisa Swin
Cc: William Tan ; Sarah Ha ; Lisa Swin
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx
Date: Tuesday, October 31, 2017 3:48:07 PM

I am in a meeting now, so will call you when I come out

Sent from my iPad

On Oct 31, 2017, at 2:07 PM, Sarah Harris <Sarah.Harris@ieso.on.ca> wrote:

Hi John,

I will give you a call.

Sarah

-----Original Message-----
From: Lisa Swin
Sent: Tuesday, October 31, 2017 2:00 PM
To: John Kim <John.Kim@ieso.on.ca>
Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

The new FHP credit facility agreement will be executed and effective prior to AA#10. AA#10 will be effective November 22, 2017 (to allow it to be executed at the same time as the other agreements). I have had discussions about this matter with Sarah and Will, so I will defer to them to explain the operational details.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:58 PM
To: Lisa Swin <Lisa.Swin@ieso.on.ca>
Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi Lisa,

I don't know how that works out logistically. These guys are going to run out of room in the November draw (i.e. not able to digest the November amount). If we need to bring down the existing first before the FHP one, then we are caught short based on the anticipated November draw.....what are your thoughts then?

The existing one is already 800M+ drawn, how would we put the balance somewhere to draw it down then set up the new one? I could be missing something so pls. let me know.

John

-----Original Message-----
From: Lisa Swin
Sent: Tuesday, October 31, 2017 1:55 PM
To: John Kim <John.Kim@ieso.on.ca>
Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

No - the amount of the existing facility needs to be reduced first.

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:54 PM
To: Lisa Swin <Lisa.Swin@ieso.on.ca>
Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Why November 22?

Wouldn't it be effective right away?

-----Original Message-----
From: Lisa Swin
Sent: Tuesday, October 31, 2017 1:53 PM
To: John Kim <John.Kim@ieso.on.ca>
Cc: William Tan <William.Tan@ieso.on.ca>; Sarah Harris <Sarah.Harris@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi John,

Just so that everyone is on the same page, Amending Agreement number 10 was sent to IESO for review this morning. It has an effective date of November 22, 2017.

Thank you,

Lisa

-----Original Message-----
From: John Kim
Sent: Tuesday, October 31, 2017 1:49 PM
To: 'Victor Buzz' <Victor.Buzz@ieso.on.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.on.ca>; Michael Bolt <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Sure, pls. use that. Could we ensure that we have the right version? This is the latest I have.

Also, we should consider the amendment happening after the letter agreement. Is that everyone's understanding?

-----Original Message-----
From: Victor Buzz [mailto:Victor.Buzz@ieso.on.ca]
Sent: Tuesday, October 31, 2017 1:42 PM
To: John Kim <John.Kim@ieso.on.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.on.ca>; Michael Bolt <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Just to be clear, John, I am asking in part because, as part of producing final docs for signing, I would like to ensure that the language in the Intercept Letter is consistent with the Intercept clause in the credit agreements.
Victor

-----Original Message-----
From: John Kim [mailto:John.Kim@ieso.on.ca]
Sent: October 31, 2017 12:57 PM
To: Victor Buzz
Cc: Lisa Swin; Anthony Martinello; Michael Bolt; Gavin He; Tom McKinlay (MAG)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi Victor,

While I can't anticipate if there might be additional comments or not, we are ready to proceed to signing.

John

-----Original Message-----
From: Victor Buzz [mailto:Victor.Buzz@ieso.on.ca]
Sent: Tuesday, October 31, 2017 12:09 PM
To: John Kim <John.Kim@ieso.on.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.on.ca>; Michael Bolt <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi John - just following up on your comments from yesterday morning - is the Intercept Letter now considered final by OFA?
Victor

-----Original Message-----
From: McKinlay, Tom (MAG) [mailto:Tom.McKinlay@ontario.ca]
Sent: October 30, 2017 11:48 AM
To: Kim, John (OFA); Victor Buzz
Cc: Swin, Lisa (OFA); Anthony Martinello; Michael Bolt; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

We were fine with the most recent draft. So assuming it doesn't change materially I think we are ready to sign.

Tom

_____

From: John Kim [John.Kim@ieso.on.ca]
Sent: Monday, October 30, 2017 11:13 AM
To: Victor Buzz; McKinlay, Tom (MAG)
Cc: Swin, Lisa (OFA); Anthony Martinello; Michael Bolt; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Thanks Victor. On #2, OFA's internal discussions are coming to an end in my understanding.

Tom, just wondering how things are on your side.

On the #1 and #3, once #2 gets done, it would be taken care by my colleagues at the OFA, I believe.

From: Victor Buzz [mailto:Victor.Buzz@ieso.on.ca]
Sent: Monday, October 30, 2017 11:07 AM
To: John Kim <John.Kim@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.on.ca>; Michael Bolt <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi John. I believe Anthony will be touching base with OFA on certain issues. Separate from that, in terms of the status of the documents, this is where things currently stand as I understand it:

(i) On Friday afternoon, I sent back to OFA a markup of the draft FHP Credit Agreement, mostly to confirm the Intercept clause in the Credit Agreement with that in the Intercept Letter itself - so we will need to see a revised version of this document;

(ii) Intercept Letter - I understood that there were still some internal reviews going on concerning the most recent draft, so I am not sure if we have seen a final version of this document;

(iii) Existing Credit Agreement - we have not received a revised version of this agreement showing the insertion of the Intercept language and the additional permitted liens language - I understand that is expected to be available soon.
Victor

From: John Kim [mailto:John.Kim@ieso.on.ca]
Sent: October 30, 2017 8:30 AM
To: Tom McKinlay (MAG); Victor Buzz
Cc: Lisa Swin; Anthony Martinello; Michael Bolt; Gavin He
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Hi all,

I am anticipating on our side being ready today to get the signature.

Just doing a quick check to see that everyone is ready. Please advise if any last minute comments.

Thanks,

John

From: John Kim
Sent: Wednesday, October 25, 2017 5:23 PM
To: Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; 'Victor Buzz' <Victor.Buzz@ieso.on.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.on.ca>; Michael Bolt' <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

Ok, thanks Tom.

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Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

No, there isn't a 'the'.

I'll send this version up and let you know if we have any concerns.

Tom.

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Sent: October 25, 2017 2:48 PM
To: Victor Buzz'; McKinlay, Tom (MAG)
Cc: Swin, Lisa (OFA); 'Anthony Martinello'; 'Michael Bolt'; He, Gavin (OFA)
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

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Could we all have a final look and consult in respective shops?

Thanks,

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Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; 'Anthony Martinello' <Anthony.Martinello@ieso.on.ca>; Michael Bolt' <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

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To: John Kim <John.Kim@ieso.on.ca>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>
Cc: Lisa Swin <Lisa.Swin@ieso.on.ca>; Anthony Martinello <Anthony.Martinello@ieso.on.ca>; Michael Bolt' <Michael.Bolt@ieso.on.ca>; Gavin He <Gavin.He@ieso.on.ca>
Subject: RE: Intercept letter agreement IESO MOE OFA Sept 2017-rev_MarkupdClean_EnergyEdits_OFA IESO Edits Oct 24_v2.docx

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2. Re the "[Energy to confirm]" comment, we are ok with the sentence as written and don't need to confirm anything further.

3. Kimberly Marshall would sign the Intercept Letter on behalf of IESO.

Victor

Victor Buzz | Senior Counsel
Independent Electricity System Operator (IESO) | T: 416-969-6879
1600-120 Adelaide Street West, Toronto, ON M5H 1T1
Web: https://na01.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.ieso.ca%2F&data=02%7C01%7CVictor.Buzz%40ieso.ca%7C7cb4bf491f0b4cf0bd8408d51ba6f4d8-227C0-26edata-3DIMSSdRcWw62710WIMPfOkJTIA&reserved=3D0 [illegible] [illegible] [illegible]

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: John.Kim@ofina.on.ca <mailto:John.Kim@ofina.on.ca>
Ph: 416-212-6996

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From: John Kim
To: Lisa Stein
Cc: Sarah Harris; William Tan; Gavin He
Subject: Re: Intercept letter
Date: Thursday, November 02, 2017 12:22:43 PM

Is with energy at the moment

Sent from my iPad

On Nov 2, 2017, at 12:13 PM, Lisa Stein <Lisa.Stein@ofina.on.ca> wrote:

> Hi John,
> Can you please update us on the status of the intercept letter?
> Thank you,
> Lisa
> ***Lisa N. Stein***
> Legal Counsel
> Ontario Financing Authority
> 416-325-2320
> **********
> This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
> **********

From: John Kim
To: Ken Kandeepan
Cc: Lisa Stein; Sarah Harris; William Tan; Anna Strathy; Sarah Neville
Subject: Re: Intercept provision
Date: Saturday, October 14, 2017 12:35:51 PM

Hi Ken,

The challenge with OPG is separate from the ieso. I will provide in detail when I get home later this afternoon.

John

Sent from my iPhone

On Oct 14, 2017, at 11:40 AM, Ken Kandeepan <Ken.Kandeepan@ofina.on.ca> wrote:

> Thanks, given that the Green ON Fund is outside the CRF I don't believe our intercept has any impact on the Fund's grants (if any) to the IESO. Also given that the Province has no appropriated amounts in in its estimates to IESO, either now or contemplated for the future, the existence of the intercept or its removal by the Ministerial fiat is from a practical perspective one and the same.
> As such I am wondering why OPG believes this is an issue for their ratings process since subrogation to the Province arising from the intercept is limited to Provincial funds flowing to IESO which as I have pointed out above are non-existent.
> Having said that OPG may be concerned that it would be difficult to explain the above to DBRS who may fail to see the distinction between an intercept aimed at these non-existent appropriation funds and something that is more general on the IESO's revenues. In which case the only option available is for the Minister to exempt this particular credit facility from the policy's intercept provisions.
> Thanks and happy to discuss.
> Ken K
>
> ---
>
> **From:** Lisa Stein
> **Sent:** Thursday, October 12, 2017 3:31 PM
> **To:** John Kim <John.Kim@ofina.on.ca>
> **Cc:** Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
> **Subject:** RE: Intercept provision
> Hi John,
> If I understand your question correctly, the answer is that the Ministry of Environment and Climate Change (MOECCC) is not required to be a party to the FHP credit facility intercept MOU/letter agreement. The letter agreement is intended to be between the "responsible ministry" (in this case Ministry of Energy (MOE)) and the public body (in this case IESO).
> The intercept would apply to money appropriated by the Legislature for "payment to

the public body". Therefore, money appropriated by the Legislature for payment to a different ministry, a different public body, or to MOE (or an agency of MOE, etc.) for a program *unrelated* to the IESO, would not be caught by the intercept.

I've included an excerpt below which should be helpful in this regard. Please let me know if you would like to discuss further.

Lisa

Excerpt from OFA Lending Policy (emphasis added):

Pursuant to section 23 of the *Capital investment Plan Act* and prior to any loan agreement entered into between the OFA and a public body, such public body and its responsible ministry are to agree that the Minister of Finance is entitled to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts that the public body fails to pay to the OFA on account of indebtedness under its loan agreement with the OFA. In addition, the public body is to agree that any notice from the OFA to the Minister of Finance in relation to its failure to pay under its loan agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

From: John Kim

Sent: Thursday, October 12, 2017 3:01 PM

To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>

Subject: Intercept provision

Hi Sarah, Lisa,

I have a request for a legal interpretation of the OFA Lending Policy.

The OFA Lending Policy as we currently have it, does it provide for a requirement [of the MOU/the letter agreement we have drafted] other than one ministry responsible for the public body? The way I read the policy, I believe there should be one Ministry that provides oversight of the public body.

This morning, at a meeting, IESO representative raised the issue of their managing the government's implementation of Green ON Fund (?). I am presuming that the same type of arrangement applies for this program as the Energy's program, i.e. no appropriation for IESO's operation, and this is TBD but would like to know how implementation of such a program funded by another ministry would factor into what we are looking to do.

The purpose of the question is to entertain whether the MOU/the letter agreement needs to include MOECC or not. I don't think so but would appreciate your assessment.

Thanks,

John

Y. John Kim

Director, Electricity Finance Branch

Ontario Financing Authority

e-mail: john.kim@ofina.on.ca

Ph: 416-212-6996

From: John Kim
To: Ken Kandeepan
Cc: Lisa Stein; Sarah Harris; William Tan; Anna Strathy; Sarah Neville
Subject: Re: Intercept provision
Date: Saturday, October 14, 2017 12:35:51 PM

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John

Sent from my iPhone

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> Thanks and happy to discuss.
> Ken K
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> **Sent:** Thursday, October 12, 2017 3:31 PM
> **To:** John Kim <John.Kim@ofina.on.ca>
> **Cc:** Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Sarah Neville <Sarah.Neville@ofina.on.ca>
> **Subject:** RE: Intercept provision
> Hi John,
> If I understand your question correctly, the answer is that the Ministry of Environment and Climate Change (MOECCC) is not required to be a party to the FHP credit facility intercept MOU/letter agreement. The letter agreement is intended to be between the "responsible ministry" (in this case Ministry of Energy (MOE)) and the public body (in this case IESO).
> The intercept would apply to money appropriated by the Legislature for "payment to

the public body". Therefore, money appropriated by the Legislature for payment to a different ministry, a different public body, or to MOE (or an agency of MOE, etc.) for a program *unrelated* to the IESO, would not be caught by the intercept.

I've included an excerpt below which should be helpful in this regard. Please let me know if you would like to discuss further.

Lisa

Excerpt from OFA Lending Policy (emphasis added):

Pursuant to section 23 of the *Capital investment Plan Act* and prior to any loan agreement entered into between the OFA and a public body, such public body and its responsible ministry are to agree that the Minister of Finance is entitled to deduct from money appropriated by the Legislature for payment to the public body amounts equal to any amounts that the public body fails to pay to the OFA on account of indebtedness under its loan agreement with the OFA. In addition, the public body is to agree that any notice from the OFA to the Minister of Finance in relation to its failure to pay under its loan agreement may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance.

From: John Kim

Sent: Thursday, October 12, 2017 3:01 PM

To: Sarah Neville <Sarah.Neville@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>

Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>; William Tan <William.Tan@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>

Subject: Intercept provision

Hi Sarah, Lisa,

I have a request for a legal interpretation of the OFA Lending Policy.

The OFA Lending Policy as we currently have it, does it provide for a requirement [of the MOU/the letter agreement we have drafted] other than one ministry responsible for the public body? The way I read the policy, I believe there should be one Ministry that provides oversight of the public body.

This morning, at a meeting, IESO representative raised the issue of their managing the government's implementation of Green ON Fund (?). I am presuming that the same type of arrangement applies for this program as the Energy's program, i.e. no appropriation for IESO's operation, and this is TBD but would like to know how implementation of such a program funded by another ministry would factor into what we are looking to do.

The purpose of the question is to entertain whether the MOU/the letter agreement needs to include MOECC or not. I don't think so but would appreciate your assessment.

Thanks,

John

Y. John Kim

Director, Electricity Finance Branch

Ontario Financing Authority

e-mail: john.kim@ofina.on.ca

Ph: 416-212-6996

From: Sarah.Harris@ofina.on.ca
To: William Tan
Subject: Re: OLMS FHP Roll-over Challenges
Date: Monday, October 02, 2017 4:25:40 PM

Hi Will,

We can discuss in more detail tomorrow, but I am confused at first blush. We can't increase the existing facility beyond $975 million total because that is the existing limit under the agreement. IESO may only borrow up to that $975M limit, and they have been using that FHP purposes (which is a liquidity need and is under the the existing facility's use of proceeds.) We would not and could not ask Risa, or anyone else to increase that limit, but OLMS should already be set up for that purpose and limit. Once we hit that ceiling we cannot lend out any more money to IESO until the new $2 billion facility is signed.

In terms of reducing the existing facility once the new FHP is signed, our options are:

1) retire a p

Sent from my iPhone

On Oct 2, 2017, at 4:03 PM, William Tan <William.Tan@ofina.on.ca> wrote:

> Hi Sarah,
> I spoke to Carlos and Risa with regards to the logistics for the October 21 advancement. I have numbered their challenges in order to our proposal of the roll-over. Let's discuss these challenges tomorrow:
>
> <!--[if !supportLists]-->1. <!--[endif]-->Allowing the Existing Credit Facility outstanding balance amount to mature.
>
> <!--[if !supportLists]-->2. <!--[endif]-->Request for advancement under the new Borrowing Notice $2 Billion FHP Credit Facility Agreement.
>
> <!--[if !supportLists]-->3. <!--[endif]-->Effectively roll-over the balance.
>
> Rural or Remote Electricity Rate Protection Variance
> Loan Limit: $475,000,000.
> Outstanding: $9,841,878.70
> Regulated Price Plan Variance
> Loan Limit: $975,000,000.00
> Outstanding: $604,963,600.47
> Carlos:
>
> <!--[if !supportLists]-->1. <!--[endif]-->You cannot set-up an identical account by the same name. Each account must have a different name. If you create a new account with bring over the balance, you would lose the advancement and repayment history. Carlos, proposed to increase the $975,000,000 account limit to over $1 Billion to accommodate the $604,963,600.47 o/s that is likely

to exceed the $975 million limit.

Risa:

<!--[if !supportLists]-->1. <!--[endif]-->Raising the account limit on OLMS is not our decision to make. Electricity Finance should make the decision on this.

<!--[if !supportLists]-->2. <!--[endif]-->Risa identified that Amending Agreement No. 10, paragraph 4 "Use of Proceeds" refers to Electricity act 1998 and FHP Credit Facility refers to the Ontario Fair Hydro Plan Act.

<!--[if !supportLists]-->3. <!--[endif]-->Suggested that John Kim (Electricity Finance) manage rollover logistics and screen/appropriateness/enter new the loans into the system going forward. (in comparison Carlos does not screen/review, he simply enters all requests as long as there is room under the facility).
Example: Corporate Finance enters school loans, colleges and universities. Electricity Finance enters OLG loans.

<!--[if !supportLists]-->4. <!--[endif]-->The IESO Credit Facility was a hold-over from the PBFS days. Other areas have taken ownership of entering their own loans. Settlements does not offer any additional expertise in terms of best solutions in setting up/rolling over FHP amounts into the new FHP.
Settlement showed Salman the set-up for the Existing Facility as $475,000,000 RRRP and $975,000,000,000 RPP even though it had a limit of only $975,000,000. Salman signed-off.
John Kim's group should be the leading and decision making for the set-up in OLMS.

Will:

<!--[if !supportLists]-->1. <!--[endif]-->Perhaps we can keep the existing account and increase the limit and set-up a new account with a slightly different name because the Existing Credit Facility allows for FHP related and non FHP related advances. Risa, raises a good point that Electricity Finance should be brought-in to make a decision on this.

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<!--[if !supportLists]-->4. <!--[endif]-->Perhaps Electricity Finance should set-up the limits in OLMS.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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From: Mike Manning
To: William Tan
Cc: Sarah Harris
Subject: Re: Signatures for FHP Credit Facility and existing Amending Agreement 10 Credit Facility
Date: Friday, November 03, 2017 10:05:33 PM

Will be in Monday morning.
Thanks, Mike

On Nov 3, 2017, at 5:21 PM, William Tan <William.Tan@ofina.on.ca> wrote:

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> Unfortunately, today there were signature complications on IESO's side and our side. We have arranged to have the agreements signed as counterparts early Monday morning. Once I am able to confirm that IESO has signed their agreements I will require an OFA signatory to sign the agreements at our end. May I ask if you will be available Monday morning to sign?
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From: Sarah Harris
To: Lisa Stein
Subject: Re: new condition
Date: Thursday, November 02, 2017 5:27:36 PM

I think you've got it!

Sent from my iPhone

On Nov 2, 2017, at 5:08 PM, Lisa Stein <Lisa.Stein@ofina.on.ca> wrote:

> Please see (b)(iii). We can discuss further tomorrow.
>
> For the purposes of this Amending Agreement and its coming into effect:
>
> <!--[if !supportLists]-->a. <!--[endif]-->"**Effective Time**" means the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";
>
> <!--[if !supportLists]-->b. <!--[endif]-->"**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date, being:
>
> <!--[if !supportLists]--> i. <!--[endif]-->the First Advance as defined under section 3.2(3) of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 3, 2017; and,
>
> <!--[if !supportLists]--> ii. <!--[endif]-->the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date; and,
>
> <!--[if !supportLists]--> iii. <!--[endif]-->the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,
>
> <!--[if !supportLists]--> iv. <!--[endif]-->the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

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From: William Tan
To: Sarah Harris
Subject: Revised email: FHP Status Update
Date: Thursday, October 12, 2017 9:39:52 AM

To: Carlos Yep <Carlos.Yep@ofina.on.ca>John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Alfonso Soriano
Cc: Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>;
Hello all,
This is to provide an update to the execution to the Existing $975 million Credit Facility and $2 Billion FHP Credit Facility.
As it sits now, FHP related advances are being drawn on the $975 million Credit Facility. Once the agreements are in place the intention is to have IESO draw primarily from the new $2 Billion FHP Credit Facility and reduce the Existing Credit Facility to below $475 million.
This will likely take the form of:
Borrowing Notice for the November draw under the $2 Billion FHP Credit Facility (entire balance).
Election Notice for amount for the November draw to reduce the Existing Credit Facility down to $475 million (if some balance remains in this credit facility).
I understand there is uncertainty how this is administered this in OLMS. I am providing this to all parties so that they may determine what arrangements are necessary in this regard.
I will keep you updated as to the status of the execution of the agreements any updates with regard to the November draw.
Thanks,
Will

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To: Sarah Harris
Subject: Draft email: FHP Status Update
To: Carlos Yep <Carlos.Yep@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Risa Thau <Risa.Thau@ofina.on.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
Hello Carlos,
IESO will likely require a total advance of $840 million (outstanding loan + new advance) on October 20. Borrowing/Election Notice to be received on October 18.
Currently, the $2 Billion FHP Credit Facility Agreement has not been executed yet.
Once the $2 Billion FHP Credit Facility Agreement is signed, the November 21 advance can be done in a variety of ways:
Examples:

i. All Amounts mature under the $975 million Existing Credit Facility (reduce the Existing Credit Facility to $475 million).
   Advance the entire required balance from the $2 Billion FHP Credit Facility.
   Requires: One Borrowing Notice from the $2 Billion FHP Credit Facility.
ii. Portion Enough of the outstanding balance is allowed to mature to fit under the to $475 million Credit Facility.
   Advance the matured portion and new advance to the $2 Billion FHP Credit Facility.
   Requires: Election Notice $475 million Existing Credit Facility.
   Borrowing Notice $2 Billion Credit Facility.

John, please notify Carlos of the preferred method of rolling over/advancement of the amounts (above are suggestions only) and how to structure the transaction on OLMS.

Best regards,

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From: William Tan
To: Sarah Harris
Subject: Subcategory allocation breakdown under $475M Credit Facility and $2B Credit Facility
Date: Monday, October 30, 2017 12:50:01 PM

Hi Sarah,

I asked Anthony to provide the subcategory account names/program names and allocation amounts under the $475M Credit Facility and $2B Credit Facility so that we may set these up on the loan system.

According to Anthony he wish arrange the facilities as follows:

$475

RRRP (Rural or Remote Electricity Rate Protection Variance)

$15+5

FHP

RPP (Regulated Price Plan Variance)

$825+$225

The additional balances (+) are for the new advances. He does not know the names of the subcategories yet or the amount allocations/limit to dedicate to the subcategories. He will provide us with these details in the form of a Borrowing Notice at the time for advancements.

Let me know if you require more details.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
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From: Sarah Harris
To: "Anthony Martinello"; Victor Buza
Cc: William Tan; Lisa Stein
Subject: Touch Base
Date: Friday, September 08, 2017 12:45:30 PM

Hi Anthony and Victor,

Will is sick today, so I wanted touch base with you on the agreements and the directive.

Firstly, the directive as at this point has not been signed. I am following up regularly to get information about the status of execution in our Minister's office and will let you know as soon as I hear anything.

In the meantime, I thought it would be helpful if we could get the agreements in an execution format so that we can promptly execute both agreements once the directive is signed. To that end, could you please confirm if you have any further comments on either of the drafts? Once you are signed off, we request that you please send clean electronic execution versions (insertion of execution date notwithstanding) that we can do a final review. When the directive is signed:

- we would then ask if you could please insert the execution date, where appropriate, on each agreement
- print out two originals of each agreement and partially execute the agreements
- send us the two originals of each agreement, along with your evidence of signing authority.
- upon receipt, we will fully execute all originals, and send you one fully executed original of each agreement (and will send you scanned executed versions immediately)

Please let me know if you have any concerns regarding any of the above.

Thanks,

Sarah

From: William Tan
To: Risa Thau
Cc: Sarah Harris; Lisa Stein
Subject: Up-to-Date Grid Note for IESO Existing Credit Facility
Date: Wednesday, September 27, 2017 7:40:36 PM

Hello Risa,

We are expecting IESO to sign the amendment to the Existing Credit Facility and the new FHP Credit Facility. We would require an up-to-date Grid Note to be included with the Amending Agreement. I anticipate that we would need a copy as early as late Thursday (unlikely) to as late as Tuesday of next week. I thought it best to provide you with some notice ahead of time. I am happy to discuss if you have any questions.

Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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Cc: Sarah Harris; Lisa Stein
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Best regards,

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
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From: Sarah Harris
To: John Kim
Subject: directive
Date: Friday, September 08, 2017 9:21:25 AM

Hi John,
I was sick yesterday and Will is sick today. Just touching base to see if there is any news on the directive? I'm going to be contacting Anthony, so if there is any update I can provide to him, that would be helpful.
Thanks,
Sarah

From:	Lisa Stein
To:	William Tan; Sarah Harris
Cc:	Sarah Neville; John Kim
Subject:	fhp credit facility agreement execution version v3 blackline.docx
Date:	Monday, October 23, 2017 10:19:22 AM
Attachments:	fhp credit facility agreement execution version v3 blackline.docx

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Hi Will,

Please find attached a revised black-lined version of the FHP credit facility agreement. The only change from the last version is the addition of an "entire agreement" clause in section 7.8, as discussed at our internal meeting last week. Please send this amendment to the IESO (and re-format the accompanying draft clean execution version as necessary).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
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****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.~~any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean~~

Formatted: Font: Times New Roman, 12 pt

~~Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP~~.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

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cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreements, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

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Section 7.~~9~~8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

I have authority to bind the corporation.

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan
Subject:	fhp credit facility agreement execution version v3 blackline.docx
Date:	Thursday, October 05, 2017 12:28:15 PM
Attachments:	fhp credit facility agreement execution version v3 blackline.docx

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Revised black-lined draft with change to “Permitted Liens” definition, as discussed.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.~~any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean~~

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~~Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP~~.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

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cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan
Subject:	fhp credit facility agreement execution version v3 blackline.docx
Date:	Thursday, October 05, 2017 12:28:15 PM
Attachments:	fhp credit facility agreement execution version v3 blackline.docx

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Revised black-lined draft with change to “Permitted Liens” definition, as discussed.

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.~~any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean~~

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~~Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP~~.

"**Person**" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"**Purchase Money Mortgage**" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"**Repayment Date**" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"**Stated Maturity**" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

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cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan
Cc:	Sarah Neville; John Kim
Subject:	fhp credit facility agreement execution version v3 blackline.docx
Date:	Wednesday, September 27, 2017 4:08:31 PM
Attachments:	fhp credit facility agreement execution version v3 blackline.docx

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Hi Sarah and Will,

As per your request, please find attached a revised draft of the credit facility agreement, with amendments re: intercept blacklined.

Please let me know if you have any questions or concerns.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

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This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
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INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

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cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	Sarah Harris; William Tan
Cc:	Sarah Neville; John Kim
Subject:	fhp credit facility agreement execution version v3 blackline.docx
Date:	Wednesday, September 27, 2017 4:08:31 PM
Attachments:	fhp credit facility agreement execution version v3 blackline.docx

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Hi Sarah and Will,

As per your request, please find attached a revised draft of the credit facility agreement, with amendments re: intercept blacklined.

Please let me know if you have any questions or concerns.

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP.

"Person" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"Purchase Money Mortgage" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"Repayment Date" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"Stated Maturity" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

"Voting Shares" of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

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cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

I have authority to bind the corporation.

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From:	Lisa Stein
To:	William Tan; Sarah Harris
Cc:	Sarah Neville; John Kim
Subject:	fhp credit facility agreement execution version v3 blackline.docx
Date:	Monday, October 23, 2017 10:19:22 AM
Attachments:	fhp credit facility agreement execution version v3 blackline.docx

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Hi Will,

Please find attached a revised black-lined version of the FHP credit facility agreement. The only change from the last version is the addition of an "entire agreement" clause in section 7.8, as discussed at our internal meeting last week. Please send this amendment to the IESO (and re-format the accompanying draft clean execution version as necessary).

Thank you,

Lisa

Lisa N. Stein
Legal Counsel
Ontario Financing Authority
416-325-2320

****
This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and contains information that is privileged/confidential. Any other distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify the sender immediately by reply e-mail and permanently delete this message, including any attachments, without reading it or making a copy. Thank you.
****

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

and

ONTARIO FINANCING AUTHORITY

as Lender

REVOLVING CREDIT FACILITY AGREEMENT

Date: September ___, 2017

REVOLVING CREDIT FACILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of September 2017,

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, a statutory corporation without share capital existing under Part II of the *Electricity Act, 1998* (the "**IESO**") (as Borrower)

AND

ONTARIO FINANCING AUTHORITY, a Crown agency established under the *Capital Investment Plan Act, 1993* (the "**OFA**" and together with the IESO, the "**Parties**") (as Lender)

RECITALS:

WHEREAS the IESO has requested a revolving credit facility for up to a maximum principal amount of $2 billion from the OFA for the purpose of supporting the IESO's role in the implementation and administration of the *Ontario Fair Hydro Plan Act, 2017*.

THEREFORE in consideration of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

"Advances" means advances made by the OFA to the IESO under Article 3 and "Advance" means any one of such advances, and in the case of an election by the IESO under Section 3.3, includes a "Continued Advance", as defined in Section 3.3(1), as applicable.

"Advances Outstanding" means, at any time, an amount equal to the aggregate principal amount of all Advances outstanding at such time.

"Agreement", "herein", "hereby", "hereor', "hereunder" and similar expressions mean and refer to this agreement and all schedules hereto and all instruments in amendment or confirmation of this agreement and such schedules and not to any particular article or section; and the expression "Article" or "Section" followed by a number means the specified Article or Section of this Agreement.

"Borrowing Notice" has the meaning specified in Section 3.2(1).

"Business Day" means any day that is not a day on which banks are generally authorized or required by law or executive order to be closed in the City of Toronto.

"**Clean Energy Adjustment"** has the same meaning as that term is defined in the OFHP.

"Commitment" means, at any time, an amount equal to $2 billion.

"Consolidated Assets" means, at any time, the book value of the assets of the IESO and the Subsidiaries, determined as of such time on a consolidated basis in accordance with GAAP.

"**Continued Advance"** has the meaning specified in Section 3.3(1).

"Credit Facility" means the revolving credit facility to be made available to the IESO by the OFA under this Agreement for the purposes specified in Section 2.2.

"**Current Repayment Date**" has the meaning specified in Section 3.3(2).

"Default" means any event which, after the giving of notice, or passage of time, or both, would be an Event of Default.

"Dollars" or **"$**" means lawful currency of Canada.

"Election Notice" has the meaning specified in Section 3.3(2).

"Event of Default" has the meaning specified in Section 5.1.

"GAAP" means accounting policies and standards as established by the Chartered Professional Accountants of Canada, at the relevant time and applied on a consistent basis.

"Grid Note" has the meaning specified in Section 3.2(2).

"Indebtedness" means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

(a) every obligation of such Person for borrowed money;

(b) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar instruments;

(d) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or expenses accrued in the ordinary course of business which are not overdue or which are being contested in good faith);

(e) every capital lease obligation of such Person;

(f) the Swap Termination Value of each Swap Contract of such Person; and

(g) every obligation of the type referred to in paragraphs (a) through (f) of another Person and all dividends of another Person the payment of which, in each case, such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

"Lien" means any assignment, hypothec, mortgage, lien, pledge, security interest, encumbrance, title retention agreement or other agreement or arrangement to secure the performance of any obligation (including the payment of Indebtedness).

"Material Subsidiary" means, at any time, a Subsidiary which has consolidated assets with a book value of more than $25 million determined in accordance with GAAP.

"**New Repayment Date**" has the meaning specified in Section 3.3(2).

"**OFHP**" means the *Ontario Fair Hydro Plan Act, 2017*.

"Permitted Liens" means:

(a) Liens for taxes and assessments not at the time overdue or any Liens securing workmen's compensation assessments, unemployment insurance or other social security obligations not at the time overdue;

(b) any Liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;

(c) any obligations or duties, affecting the property of the IESO to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, license or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the IESO or such Material Subsidiary under government permits, leases or other grants,

which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the IESO or such Material Subsidiary;

(d) any deposits or Liens in connection with building contracts, bids or tenders, expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, and public and statutory obligations, Liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar Liens;

(e) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any lands, to terminate any such lease, license, franchise, grant or permit or to require annual or their periodic payments as a condition to the continuance thereof;

(f) any undetermined or inchoate Liens and charges incidental to the current operations of the IESO or a Material Subsidiary that have not at the time been filed against the IESO or such Material Subsidiary; provided, however, that if any such Lien or charge shall have been filed, the IESO or such Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such Lien or charge;

(g) any Lien the validity of which is being contested at the time by the IESO or a Material Subsidiary in good faith and the enforcement of which has been stayed;

(h) any easements, rights-of-way and servitudes that in the opinion of the IESO will not in the aggregate materially and adversely impair the use or value of the land for the purpose for which it is held or occupied by the IESO or a Material Subsidiary;

(i) any Liens and privileges arising out of judgments or awards with respect to which the IESO or a Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review;

(j) any other Liens of a nature similar to the foregoing which do not in the opinion of the IESO, acting reasonably, materially impair the use of the property subject thereto or the operation of the business of the IESO or any Material Subsidiary or the value of such property for the purpose of any such business; and

(k) any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amount received or receivable by the IESO (such as, without limitation, amounts received or receivable in respect of the Clean Energy Adjustment), or any other lien, whether arising from the action or inaction of IESO, that is created in connection with the OFHP.~~any Lien arising from the IESO's role and obligations under the OFHP, including with respect to any amounts collected and held by IESO in relation to the Clean~~

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~~Energy Adjustment, or any other lien, whether arising from the action or inaction of IESO, that is created under the OFHP~~.

"**Person**" means any individual, corporation, partnership joint venture, association, trust or unincorporated organization or any government or agency or political subdivision thereof.

"**Purchase Money Mortgage**" means any Lien on property, granted in connection with financing, assumed or given back in payment of, or created or arising by operation of law to secure, the whole or part of the purchase price of such property, or granted in connection with financing the cost in whole or in part of construction or installation of or improvements to any property, provided that such Lien is incurred or assumed at the time or within 12 months after the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or replacement thereof on the same property if the principal amount of the Indebtedness secured thereby at the time of such extension, renewal or replacement is not increased and if such Lien is not extended to any other property.

"**Repayment Date**" means, in respect of the repayment of Advances, the repayment date contained in the most recent Borrowing Notice or Election Notice.

"**Stated Maturity**" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in or on the agreement or instrument evidencing such Indebtedness as the fixed date on which any principal amount of such Indebtedness or such installment of interest is due and payable.

"Subsidiary" means:

(a) a corporation more than 50% of the voting power or the outstanding Voting Shares of which is owned, directly or indirectly, by the IESO or by one or more other Subsidiaries or by the IESO and one or more other Subsidiaries; or

(b) any Person (other than a corporation) in which the IESO, or one or more other Subsidiaries, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Swap Contract" means any agreement whether or not in writing, relating to any transaction or derivative transaction including a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction currency swap, cross-currency rate swap, swaption, currency option or other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

“Swap Termination Value” means, in respect of any one or more Swap Contracts entered into by a Person, after taking into account the effect of any legally enforceable netting agreement relating to such Swap contracts:

(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) for such Person have been determined in accordance therewith, such termination value(s); and

(b) for any date prior to the date referred to in paragraph (a), the net amount determined pursuant to the terms of such Swap Contracts that would be payable by such Person if such Swap Contracts were terminated as of such date.

“Voting Shares” of any Person means securities of such Person which ordinarily carry a right to vote for the election of directors (or Persons performing similar functions) of such Person.

Section 1.2 Effect of Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Singular, Plural, Gender, Certain Phrases, etc.

Where the context permits and unless such interpretation would be inappropriate, words importing the singular only shall include the plural and vice versa and words importing gender may include any gender. In this Agreement, (a) the words "including" and "includes" mean "including (or includes) without limitation", and (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean “to but excluding".

Section 1.4 Accounting.

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

Section 1.5 Non-Business Days.

Whenever any payment to be made hereunder shall be due, any period of time would end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day.

ARTICLE 2
REVOLVING CREDIT FACILITY

Section 2.1 Availability.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO. The OFA shall make each Advance in Dollars.

Section 2.2 Use of Proceeds.

The IESO shall use the proceeds of Advances for the purposes for which it is authorized to borrow funds pursuant to Regulation 280/14 made under the *Electricity Act, 1998*, as such regulation may be amended or replaced from time to time, subject to the condition that proceeds of Advances may be used only for IESO's financing needs and requirements of any kind arising in connection with the IESO's role with respect to and obligations under the OFHP.

Section 2.3 Credit Facility Limit.

The Advances Outstanding shall not at any time exceed the Commitment. The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitment.

Section 2.4 Mandatory Repayment.

Subject to Sections 2.5 and 5.2, the IESO shall repay each Advance together with the interest accrued thereon on the applicable Repayment Date, and, in any event, shall repay all Advances Outstanding, together with all accrued interest and all other amounts owing hereunder on September 30, 2022.

Section 2.5 Prepayments.

The IESO is not entitled to prepay any part of the Advances Outstanding or the interest accrued thereon without the prior written consent of the OFA.

Section 2.6 Payments under this Agreement.

(1) The OFA shall make Advances to the IESO under this Agreement to or to the order of the IESO by wire transfer of immediately available funds in accordance with wire transfer instructions given by the IESO to the OFA from time to time, or in such other manner as the IESO may specify to the OFA from time to time.

(2) The IESO shall make any payment required hereunder to be made by it to the OFA, to or to the order of the OFA, by wire transfer of immediately available funds in accordance with wire transfer instruction given by the OFA to the IESO from time to time, or in such other manner as the OFA may specify to the IESO from time to time. The IESO shall make each such payment in Canadian Dollars.

Section 2.7 Computations of Interest.

(1) All computations of interest shall be made by the OFA taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable on the basis of a year of 365 days or 366 days, as the case may be.

(2) For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable under this Agreement for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Section 2.8 Limit on Rate of Interest.

(1) Notwithstanding any provision contained in this Agreement, the IESO shall not be obliged to make any payments of interest or other amounts payable to the OFA hereunder in excess of the amount or rate which would be prohibited by applicable law or would result in the receipt by the OFA of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

(2) In the event that any such payments are limited or prohibited as provided in Section 2.8(1), the OFA shall have no further obligation to make any Advances available hereunder and the Advances Outstanding, together with all accrued interest and all other amounts owing hereunder, shall become immediately due and payable.

Section 2.9 Application of Payments.

All payments made by the IESO under this Agreement shall be applied firstly to the payment of interest payable to the OFA on late payments of principal or interest hereunder, secondly, to the payment of accrued and unpaid interest payable to the OFA hereunder and thirdly, to the payment of the outstanding principal amount of any Advances payable to the OFA.

ARTICLE 3
ADVANCES

Section 3.1 Advances.

The OFA agrees, on the terms and conditions of this Agreement, to make Advances to the IESO under the Credit Facility from time to time on any Business Day prior to September 23, 2022.

Section 3.2 Procedure for Advances.

(1) Subject to Section 3.3(5), each Advance shall be made subject to two Business Days' prior notice given not later than 10:00 a.m. (Toronto time) by the IESO to the OFA. Each notice of an Advance (a "**Borrowing Notice**") shall be substantially in the form of Schedule 1, other than a Borrowing Notice that is included in an Election Notice as permitted by Section 3.3(3). Each Borrowing Notice shall be irrevocable and binding on the IESO and shall specify (a) the requested date of the Advance; (b) the principal amount of the Advance, and (c) the Repayment Date of the Advance which shall not be earlier than 5 days and not later than 95 days after the date of the requested Advance. Each Borrowing Notice shall also certify the use of proceeds of the Advance which shall in any case be in accordance with Section 2.2. The OFA will make the principal amount of each Advance available to the IESO in accordance with Article 2.

(2) On or before the date of the first Advance hereunder, the IESO shall execute and deliver to the OFA a grid promissory note in respect of Advances substantially in the form of Schedule 3 (the "**Grid Note**"). The IESO authorizes the OFA to record on the Grid Note (a) the date and amount of each Advance or Continued Advance; (b) the applicable rate of interest for each Advance or Continued Advance; (c) the Repayment Date of each Advance or Continued Advance; (d) the date and amount of each payment of interest and each payment of principal or portion thereof in respect of each Advance or Continued Advance; and (e) Advances Outstanding. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such Advances and repayments; provided that the failure of the OFA to record any amount, rate or date shall not affect the obligation of the IESO to pay the Advances Outstanding and all interest accrued thereon and any other amounts due under this Agreement.

Section 3.3 Elections Regarding Advances.

(1) The IESO may elect to continue all or a portion of the principal amount of any Advance and any amount of interest on such Advance (together, the "**Continued Advance**") for a further period of at least 5 days and up to a maximum of 95 days beginning on the then current Repayment Date in accordance with Section 3.3(2).

(2) Each notice to continue an Advance for a further period (an "**Election Notice**") shall be provided by the IESO to the OFA at least two Business Days prior to the Repayment Date of the Advance (the "**Current Repayment Date**"), and in each case, not later than 10:00 a.m. (Toronto time). Each such Election Notice shall be given substantially in the

form of Schedule 2 and shall be irrevocable and binding upon the IESO and shall specify: (a) the Current Repayment Date; (b) the new aggregate total amount of the proposed Continued Advance; (c) the amount of interest or principal, if any, to be paid or re-paid by the IESO with respect to such Advance on the Current Repayment Date; and (d) the new Repayment Date of the proposed Continued Advance, which shall be no earlier than 5 days and not later than 95 days after the current Repayment Date (the "**New Repayment Date"**). If the IESO fails to deliver an Election Notice to the OFA for any Advance as provided herein, such Advance shall be repayable on the applicable Repayment Date.

(3) An Election Notice with respect to a proposed Continued Advance may include a Borrowing Notice for a further Advance proposed to be made on the Current Repayment Date. The Repayment Date of such further Advance shall be the New Repayment Date of the Continued Advance that is specified in the Election Notice. Such Borrowing Notice shall be given substantially in the form of Schedule 2.

(4) The calculation of interest on a Continued Advance shall be determined in the same manner as an Advance under Section 3.4 and shall be recorded on the Grid Note in accordance with Section 3.2(2).

(5) Any portion of an Advance not continued for a further period in accordance with Section 3.3(2) shall be repayable on the applicable Repayment Date.

(6) The Credit Facility shall at all times rank *pari passu* with all other unsubordinated and unsecured Indebtedness of the IESO, subject to the existence of any Liens that secure Indebtedness, as permitted by subections 4.6 (a) through (e) hereof.

(7) All amounts owing in respect of the Advances shall be paid without exercising any right of set off or counterclaim by the IESO.

Section 3.4 Interest on Advances.

(1) The IESO shall pay interest on the unpaid principal amount of each Advance in accordance with this Section 3.4 from and including the date of such Advance until the principal amount of such Advance is repaid in full.

(2) Interest shall accrue on the principal amount of each Advance from and including the date of the Advance to but excluding the Repayment Date of such Advance, at an annual rate equal to the Province of Ontario's cost of funds for borrowings with a similar term as determined by the OFA plus 0.25 percent per annum, before as well as after the date such principal amount or interest thereon becomes due hereunder and both before and after Default and shall be payable on the Repayment Date for such Advance. Any amount of interest arising hereunder which is not paid when due shall bear interest at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment. The amount of interest payable on an Advance will be calculated by the OFA by dividing the interest rate applicable to the Advance by 365 or 366, as the case

may be, and multiplying the result by the principal amount of the Advance and further multiplying the result by the number of days in the period from the date of the Advance to the Repayment Date of the Advance.

(3) If the IESO elects to continue an Advance in accordance with Section 3.3(2), the OFA shall determine the interest rate applicable after the original Repayment Date of the Advance and endorse the said rate on the grid forming part of the Grid Note in respect of Advances held by it.

Section 3.5 Conditions Precedent

The obligation of the OFA to make the Advances to the IESO pursuant to Section 2.1 is subject to the following conditions being satisfied to the OFA's satisfaction at the time of making each Advance:

(a) that the representations and warranties of the IESO contained in this Agreement are true and correct as at the date of making the Advance;

(b) that no Event of Default has occurred and is continuing;

(c) that there shall, in the reasonable opinion of the OFA, have been no material adverse change in the financial condition of the IESO or a Material Subsidiary; and

(d) that the OFA has received such other documentation which it has reasonably requested to ensure that the IESO is in compliance with the terms and conditions of this Agreement, including certified true copies of any necessary resolutions, a written legal opinion from counsel to the IESO confirming that the borrowing is within the legal powers of the IESO and that the Agreement is a direct, unsecured obligation of the IESO enforceable against the IESO in form satisfactory to the OFA.

ARTICLE 4
COVENANTS OF THE IESO

Section 4.1 Payment of Advances.

The IESO will duly and punctually pay all amounts owing under this Agreement in accordance with the terms and subject to the conditions of this Agreement.

Section 4.2 IESO will Maintain its Corporate Existence.

The IESO will at all times maintain its corporate existence.

Section 4.3 Maintenance of Properties.

The IESO will cause all property owned by the IESO or any Material Subsidiary to be maintained and kept in good condition, repair and working order, all as in the judgment of the IESO or any Material Subsidiary may be necessary for the proper operation of such property, except as and to the extent that the IESO or any Material Subsidiary may be prevented from doing so by fire, strikes, lockouts, walkouts, labour unrest, acts of God, inability to obtain labour or materials, enemy action, governmental restrictions, civil commotion, or unavoidable casualty or similar causes; provided, however, that nothing in this Section 4.3 shall prevent the IESO or any Material Subsidiary from discontinuing the maintenance of any such property or decommissioning any such property if such discontinuance or decommissioning is, in the judgment of the IESO or any such Material Subsidiary, desirable in the conduct of its business or the business of any such Material Subsidiary, or has been directly or indirectly requested or required by the Province of Ontario.

Section 4.4 Insurance.

The IESO will cause all property owned by the IESO or any Material Subsidiary which is of a character usually insured by companies operating similar businesses to be insured and kept insured with reputable insurers (which may include associations or other organizations for mutual or reciprocal insurance) against loss or damage by fire or other hazards or risks of the mature and to the extent that such property is usually insured by companies operating similar businesses.

Section 4.5 Conduct of Business.

The IESO will, and will cause the Subsidiaries to, carry on and conduct their respective businesses in accordance with good business practice.

Section 4.6 Negative Pledge.

The IESO will not, and will not permit any Material Subsidiary to, create, incur or assume any Lien, charging the interest of the IESO or any Material Subsidiary in any property, to secure any obligations (including any Indebtedness) unless, at or prior to the time such Lien is created, incurred or assumed, all amounts owing under this Agreement are secured equally and rateably with any and all such obligations secured or to be secured by such Lien, for so long as such obligations shall be secured, provided, however, that the foregoing covenant shall not prevent, restrict or apply to any of the following:

(a) the creation, incurrence or assumption of any Purchase Money Mortgage;

(b) the grant of any Lien in the normal course of business to any banks or financial institutions for present or future Indebtedness of the IESO or any Material Subsidiary to such banks or financial institutions payable on demand or having an original term to maturity less than 18 months;

(c) Permitted Liens;

(d) any extension, renewal or replacement of any of the Liens referred to in Sections 4.6(a), (b) or (c), provided that the principal amount secured by any such Lien outstanding immediately before such extension, renewal or replacement or refunding is not thereby increased; and

(e) any Lien charging the interest of the IESO or any Material Subsidiary in any property to secure any Indebtedness, other than any Lien referred to in Sections 4.6(a), (b) or (c), provided that, at the time such Lien is created, incurred or assumed, the principal amount of such Indebtedness, together with the aggregate principal amount of all other Indebtedness secured by Liens permitted pursuant to this Section 4.6(e) which is outstanding at such time does not exceed 10% of Consolidated Assets at such time.

Section 4.7 Payment of OFA Expenses

In addition to any liability of the IESO to the OFA under any other provision of this Agreement, the IESO will, on demand, reimburse and indemnify OFA for all reasonable costs, charges and expenses, including reasonable fees and disbursements of its agents and counsel, incurred by OFA in connection with the Agreement (including those services incurred in the preservation of rights under or enforcement of this Agreement at any time during the continuance of a Default or Event of Default and for any reasonable loss or expense incurred by OFA as a result of any failure by the IESO to fulfill any of its obligations under this Agreement). All such costs, charges and expenses shall bear interest at the Province of Ontario's cost of funds plus 0.25 percent per annum (as determined by the OFA) calculated and payable monthly not in advance from in each case from the date on which the OFA incurs the cost, charge or expense until the date on which the IESO reimbursement the OFA therefor. The OFA agrees, acting reasonably, to invoice the IESO for any such costs, charges and expense as they are incurred, together with interest at the aforesaid rate (with interest on overdue interest).

Section 4.8 Reporting.

The IESO will promptly provide to the OFA any reports or supporting documents that the OFA may request from time to time.

Section 4.9 Late Repayment of Advance.

In the event that the IESO fails to repay the principal amount of any Advance and all interest accrued thereon when due, the IESO shall pay interest on the unpaid amount of such Advance at the same rate compounded monthly at which it accrued from the due date for payment until the date of actual payment.

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Event of Default.

Wherever used in this Agreement, the term "Event of Default" means any of the following:

(a) the IESO's failure to pay any interest upon any Advance when it becomes due and payable, if such failure continues for a period of 3 Business Days;

(b) failure to pay the principal amount of any Advance on the applicable Repayment Date or the Advances Outstanding, all interest accrued thereon and all other amounts owing under this Agreement on September 30, 2022;

(c) failure on the part of the IESO to observe or perform its obligations set forth in Section 4.1;

(d) failure on the part of the IESO to observe or perform any of the other covenants or agreements on its part contained in this Agreement for a period of 20 days after the date on which written notice of such failure shall have been given to the IESO by the OFA;

(e) any representation or warranty made by the IESO in this Agreement or in any certificate or other document at any time delivered hereunder to the OFA was incorrect or misleading in any material respect;

(f) one or more breaches by the IESO of its covenants under one or more evidences of Indebtedness or instruments governing or securing the same with a principal amount then outstanding, individually or in the aggregate, of at least $5 million, which breaches:

(i) constitute a failure to pay such Indebtedness when due and payable at its final Stated Maturity, continue after any applicable grace period and have not been cured or waived or ceased to exist, or

(ii) have resulted in such Indebtedness becoming or being declared due and payable prior to its final Stated Maturity (and which acceleration or declaration has not been waived or rescinded);

(g) the IESO or any Material Subsidiary:

(i) becomes unable to meet its obligations as they generally become due or has ceased paying its current obligations in the ordinary course of business as they generally become due;

(ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit its creditors or files a proposal or other scheme

of arrangement involving the rescheduling or composition of its Indebtedness;

(iii) institutes or has instituted against it any proceeding seeking:

(A) to adjudicate it as bankrupt or insolvent,

(B) liquidation, winding-up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or

(C) the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets,

and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any remedy sought in any such proceeding (including the entry of order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or

(iv) takes any corporate action to authorize any of the actions in Sections 5.l (g)(i) to (iii); or

(h) if there shall be rendered against the IESO or any Material Subsidiary a final judgment or judgments for the payment of money in an aggregate amount in excess of $5 million by a court or courts of competent jurisdiction, and the IESO or any Material Subsidiary shall have failed to satisfy such judgments or to appeal therefrom (or from the order, decree or process pursuant to which such judgments were granted, passed, entered or affirmed) and to obtain a stay of execution thereof within the period prescribed by law for appeals, and to have such judgments discharged within 30 days after the expiration of such period or the period of any such stay, whichever shall later expire.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the OFA may at its option, in addition to any other remedy available to the OFA at law, by written notice to the IESO, take any or all of the following actions:

(a) suspend the right of the IESO to request any further Advance until the Event of Default has been cured to the OFA's satisfaction or, if the Event of Default is not

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cured within three (3) Business Days after the date on which written notice of such Event of Default shall have been given to the IESO by the OFA, declare all amounts owing hereunder including all interest accrued to be due and payable immediately, by a notice in writing to the IESO, and upon any such declaration all such amounts shall become immediately due and payable.

(b) invoke the Intercept pursuant to section 5.7 of this Agreement to require payment of any amount due and payable under this Agreement.

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Section 5.3 Suits for Enforcement by the OFA.

If an Event of Default occurs and is continuing, the OFA may proceed to protect and enforce the rights vested in it by this Agreement either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the OFA by this Agreement or by law.

Section 5.4 OFA May File Proof of Claim.

If proceedings for the receivership, insolvency, liquidation, bankruptcy, winding-up, reorganization, arrangement or composition of the IESO under any applicable law are pending, or if a receiver, trustee, custodian or other similar official shall have been appointed for the property of the IESO, or if any other judicial proceedings relative to the IESO, its creditors or its property are pending, the OFA shall be entitled and empowered, by intention in such proceeding or otherwise:

(a) to file and prove a claim for all amounts owing under this Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the OFA (including any claim for fees and disbursements of the OFA, its agents and counsel) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claim.

Section 5.5 Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the OFA is intended to be exclusive of any other such right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.6 Delay or Omission not Waiver.

No delay or omission of the OFA to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right or remedy given by this Article 5 or by law to OFA may be exercised from time to time, and as often as may be deemed expedient, by the OFA.

Section 5.7 Intercept

(a) The IESO hereby acknowledges that the Minister of Finance is entitled to deduct from monies appropriated by the Legislature for payment to the IESO ("**Appropriated Funds**"), amounts equal to any amounts that the IESO fails to pay under this Agreement. On the occurrence of an Event of Default, the Minister of Finance is irrevocably authorized to deduct from the Appropriated Funds amounts equal to any amounts that the IESO fails to pay to the OFA in accordance with the provisions of this Agreement and to pay such amounts directly to the OFA ("**Intercept**").

(b) If the OFA determines that it is necessary to request the Minister of Finance to exercise the Intercept, the OFA will give written notice to the Minister of Finance, with a copy to the Ministry of Energy, of the IESO's failure to pay under this Agreement and requesting the deduction of amounts equal to the amounts that the IESO has failed to pay under this Agreement.

The IESO agrees that any notice from the OFA to the Minister of Finance in relation to this section 5.7 (Intercept) may be relied upon by the Minister of Finance without further inquiry or verification by the Minister of Finance and, upon receipt of such notice, an amount equal to the amount that the IESO fails to pay to the OFA shall be deducted from the Appropriated Funds and paid to the OFA.

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ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IESO

Section 6.1 Representations and Warranties of IESO

The IESO represents and warrants to the OFA that:

(a) the borrowing of money (including principal and accrued interest) by the IESO and the execution, delivery and performance of this Agreement are within the powers and capacities of the IESO and have been duly authorized by all necessary legal action and proper proceedings;

(b) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance with the terms and conditions of this Agreement will not conflict with or result in a breach of any of the terms or provisions of the constituting documents or by-laws of the IESO, laws of Ontario, including laws of

Canada applicable therein, applicable to the IESO or any contractual or other obligation binding on the IESO;

(c) this Agreement will, when executed and delivered, constitute the legal, valid and binding obligation of the IESO enforceable against it in accordance with its terms; and

(d) the monies advanced under this Agreement shall be used only by the IESO for the purposes set out in Section 2.2.

Section 6.2 Continuation of Representation and Warranties

The representations and warranties set out in Section 6.1 herein shall survive the execution and delivery of this Agreement, the making of each Advance by the OFA, notwithstanding any investigations or examinations which may be made by counsel for the OFA.

ARTICLE 7
GENERAL

Section 7.1 Notices.

Any notice, direction or other communication to be given under this Agreement shall be in writing and given by personally delivering it or sending it by telecopy or other means of electronic communication addressed:

If to the IESO, to it at:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

Attention: Chief Financial Officer
Telephone: (416)969-6232
Facsimile: (905)403-6913

If to the OFA, to it at:

Ontario Financing Authority 1 Dundas Street West
Suite 1400 Toronto, Ontario M7A 1Y7

Attention: Executive Director & Chief Investment Officer – Capital Markets Division
Telephone: (416)325-8930
Facsimile: (416)860-8346

provided that any Borrowing Notice or Election Notice shall be addressed as indicated on Schedule 1 or Schedule 2 respectively.

Any communication hereunder shall be deemed to have been validly and effectively given if (a) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, (b) transmitted by facsimile or other means of electronic communication, on the Business Day following the date of transmission provided that, on the date of transmission, the addressee of such communication was notified by telephone of such transmission. Any party may from time to time change its address for communications hereunder by notice give in accordance with this Section 7.1 and until changed by like notice, such changed address shall be such party's address for purposes of this Section 7.1.

Section 7.2 Successors and Assigns.

This Agreement shall be binding on and enure to the benefit of the OFA and the IESO and their respective successors and permitted assigns, except that the IESO shall not, without the prior written consent of the OFA assign, pledge or hypothecate any rights or obligations with respect to this Agreement.

Section 7.3 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by each of the Parties.

Section 7.4 Waiver.

(1) No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar) of this Agreement nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

(2) No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right and any single or partial exercise of such right shall not preclude another or further exercise of such right or the exercise of any other right.

Section 7.5 Further Assurances.

Each of the IESO and the OFA shall, from time to time, do all such acts and things and execute and deliver all such instruments as may be reasonably required to give effect to, and carry out the terms of, this Agreement

Section 7.6 Severability.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in this Agreement shall not in any way be affected or impaired thereby.

Section 7.7 Governing Law.

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

Section 7.8 Entire Agreement.

This Agreement and the Schedules constitutes the whole agreement between the Parties with respect to the matters dealt with in it, and it supersedes any prior agreements, undertakings, discussions and the like respecting the matters dealt with in this Agreement and entered into by the parties before the date the OFA signs this Agreement.

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Section 7.~~9~~8 Counterparts.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

ONTARIO FINANCING AUTHORITY

I have authority to bind the corporation.

Per: _____

Name: Michael D. Manning
Title: Executive Director & Chief Investment Officer, Capital Markets Division

I have authority to bind the corporation.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name: Kimberly Marshall
Title: Vice President, Corporate Services; Chief Financial Officer; Treasurer

SCHEDULE 1

FORM OF BORROWING NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.2 of the Agreement that the IESO requests an Advance under the Agreement, and, in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"), as required by Section 3.2(1) of the Agreement:

(a) The date of the Proposed Advance, being a Business Day is _____;
(b) The principal amount of the Proposed Advance is $_____;
(c) The Repayment Date of the Proposed Advance is _____. [Not earlier than 5 days and not later than 95 days after the date of the Proposed Advance.]

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement will be expended or held solely for the purpose for which they are authorized to be used under the Agreement; no part of the funds to be received pursuant to this Notice shall be used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:

Authorized Signatory

SCHEDULE 2

FORM OF ELECTION NOTICE

Delivered Via Email: CASHP@ofina.on.ca

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7

Date: [insert date]

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated September (·), 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is _____.

(b) The aggregate amount of the proposed Continued Advance is $_____, which is comprised of:
   i. principal amount (or portion thereof) of Advance which is to be continued $_____; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date $_____;

(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): $ _____

(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is _____. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: $_____
The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: $_____

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): [specify purpose(s) and any sub-categories of borrowing purposes, as applicable]

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____
Name:

Authorized Signatory

SCHEDULE 3 – FORM OF GRID NOTE

INDEPENDENT ELECTRICITY SYSTEM OPERATOR GRID NOTE

Principal Amount: Up to $2,000,000,000 Date:

FOR VALUE RECEIVED, INDEPENDENT ELECTRICITY SYSTEM OPERATOR (the "**IESO**"), incorporated under the laws of the Province of Ontario and having its principal office and place of business at Toronto, Ontario, **PROMISES TO PAY** to or to the order of **ONTARIO FINANCING AUTHORITY** ("**OFA**") at its offices at Toronto, Ontario or at such other place as the OFA may designate, the principal amount of each and all Advances made by the OFA to the IESO, all as recorded by the OFA on the grid attached to and forming part of this Grid Note, in lawful money of Canada, with interest on each Advance at the rate, calculated in the manner and payable at the times specified in the Revolving Credit Facility Agreement (as defined below).

OFA shall and is unconditionally and absolutely authorized and directed by the IESO to record on the Grid Note (i) the date and amount of each Advance, including any Advance all or a portion of which is continued by election under Section 3.3; (ii) the applicable rate of interest for each Advance; (iii) the repayment date of each Advance; (iv) the date and amount of each payment of interest and each payment of principal in respect of each Advance; and (v) the outstanding principal amount of the Grid Note. Such notations, in the absence of manifest error, shall be *prima facie* evidence of such advances and repayments; provided that the failure of the OFA to record the same shall not affect the obligations of the Borrower to pay such amounts to the OFA.

The outstanding principal amount of each Advance under this Grid Note together with all interest accrued thereon shall become due and payable as specified in the Revolving Credit Facility Agreement dated September (·), 2017 as amended, supplemented or restated from time to time, between the Borrower and the OFA (the "Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

This Grid Note is issued pursuant to, and is subject to and payable in accordance with the provisions of, the Agreement.

This Grid Note is not transferable or negotiable without the prior written consent of the IESO.

The IESO waives presentment for payment and notice of non-payment.

This Grid Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the IESO has executed this Grid Note.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

Per: _____

Name:
Authorized Signatory

Revolving Credit Facility Grid Note

Ontario Financing Authority
Line of Credit Grid Note

Entity : Independent Electricity System Operator
Loan Limit:

Project:
Schedule of loan transactions to:
Loan Advanced to:

New Loan and/or Rollover						Actual Repayment				
New Loan or Rollover Date	Principal Advanced or Rollover Amount	Interest Rate	Repayment Date	Total No. Of Days	Interest Amount	Actual Repayment	Principal	Interest	Actual Repayment Date	Actual No. Of Days

From: Lisa Stein
To: Sarah Harris
Subject: new condition
Date: Thursday, November 02, 2017 5:08:02 PM

Please see (b)(iii). We can discuss further tomorrow.

For the purposes of this Amending Agreement and its coming into effect:

a. "**Effective Time**" means the time on the Effective Date by which the Transfers of Funds (defined below) have been completed; or such other time as the Parties may subsequently agree to in writing as being the "Effective Time";

b. "**Transfers of Funds**" means those transfers of funds to be completed between the Parties on the Effective Date, being:

i. the First Advance as defined under section 3.2(3) of the credit agreement between the Parties in relation to the IESO's role in the implementation of the OFHP dated November 3, 2017; and,

ii. the completion of all Advances described in the Election Notice to be provided by the IESO to the OFA no later than November 17, 2017 (such terms having the meanings defined in the Credit Agreement) that are to be funded under the Credit Agreement on the Effective Date; and,

iii. the repayment by the IESO of all Advances Outstanding (as defined in the Credit Agreement) exceeding $475 million; and,

iv. the payment by the IESO to OFA of the interest then owing under the Credit Agreement.

From: Lisa Stein
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From: William Tan
To: Sarah Harris
Subject: revised: FHP and Amending Agreement No. 10 - Order of Events
Date: Friday, October 27, 2017 11:23:18 AM

Hi Sarah,
Revised below
Hello Anthony and Victor,
Once the letter agreement is signed we expect to execute the FHP credit facility next week, but propose holding-off to arrange the execution of the amending agreement until November 22nd.
As per our discussion with Anthony, the entire balance of $840 million will be moved from the existing $975 million Credit Facility to the $2 Billion FHP Credit Facility. Currently we cannot reduce the existing $975 million limit under the facility while $840 million is still outstanding under it.

- We propose to signing the FHP Credit Facility agreement first on November 1st and receiving the FHP Borrowing Notice to advance ($840 million + new advance) on November 16.
- Allow the $840 million outstanding under the existing $975 million Credit Facility to mature on November 21st . Arrange to execute Amending Agreement No. 10 on November 22 to reduce the existing credit facility on November 22nd.

Please provide you thoughts if this is suitable.
Thanks,
Will

From: Sarah Harris
Sent: Friday, October 27, 2017 10:50 AM
To: William Tan
Subject: RE: FHP and Amending Agreement No. 10 - Order of Events
Hi Will,
Just checking whether you discussed with Anthony, or if it was e-mail? Suggest you put steps in 2nd paragraph in bullets, because the phrasing in the context of a paragraph looks odd.
If you're responding to Victor on his e-mail, I suggest you start off the e-mail by stating that we expect to execute the FHP facility next week, but propose holding off to execute the amending agreement until November 22nd. Then go through the reasoning per below.
Also, Lisa is right. Instead of sending semi-executed. Just say we arrange to execute the agreement on November 22.
Thanks,
Sarah

From: William Tan
Sent: Friday, October 27, 2017 10:42 AM
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Cc: Sarah Harris <Sarah.Harris@ofina.on.ca>
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Please provide you thoughts is this is suitable.

Will Tan| *Documentation & Analysis Specialist*
Capital Markets Division | Ontario Financing Authority
1 Dundas Street West, Suite 1400
Toronto, Ontario M5G 1Z3, CANADA
Tel. (416) 325-8090 | Fax: (416) 860-8346
william.tan@ofina.on.ca

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